BC
F502
D:P772
2004/05
c.3

# POOLED INVESTMENT PORTFOLIO FINANCIAL STATEMENTS

## 2004/2005

bc imc

British Columbia
Investment Management Corporation

LEGISLATIVE LIBRARY
VICTORIA, B.C.
JAN 0 3 2005

# BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

## POOLED INVESTMENT PORTFOLIOS

## GROUP OF FUNDS

Canadian Corporate High-Grade Bond Fund
Canadian Corporate Investment-Grade Bond Fund
Short Term Bond Fund
Pension Bond Fund
Realpool Investment Fund
Realpool International Fund 1999
Realpool International Fund 2001
2001 Realpool International Fund
Realpool International Fund 2002
2004 Realpool International Fund
Fixed Term Mortgage Fund
Construction Mortgage Fund
Specialty Mortgage Fund
Private Placement Fund 1995
Private Placement Fund 1996
Private Placement Fund 1997
Private Placement Fund 1998
Private Placement Fund 1999
Private Placement Fund 1999A
Private Placement Fund 2000
2000 Private Placement Fund
Private Placement Fund 2001
2001 Private Placement Fund
Private Placement Fund 2002
2002 Private Placement Fund
Private Placement Fund 2003
2003 Private Placement Fund
Private Placement Fund 2003A
2003A Private Placement Fund
2004 Private Placement Fund
Asian Equity Fund
European Equity Fund
Indexed European Equity Fund
International Equity Fund
Indexed International Equity Fund
Infrastructure Fund One
Infrastructure Fund Two
Strategic Investment and Infrastructure Fund
Strategic Inv 100 Foreign PP Fund

Canadian Money Market Fund ST1
Canadian Money Market Fund ST2
U.S. Dollar Money Market Fund ST3
Indexed Government Bond Fund
Long Term Bond Fund
British Columbia Focus Fund
Indexed Canadian Equity Fund
Active Canadian Equity Fund
Enhanced Canadian Equity Fund
North American Equity Fund
Active U.S. Equity Fund
S & P 500 Equity Fund
Enhanced Indexed U.S. Equity Fund
U.S. Value Index Equity Fund
U.S. Equity Derivatives Fund
Currency Overlay Fund
U.S. Currency Hedging Fund

**FINANCIAL STATEMENTS**
**2004/2005**

LEGISLATIVE LIBRARY OF BRITISH COLUMBIA
3 3298 00310 8520
106-030071/

# BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

## POOLED INVESTMENT PORTFOLIOS

## GROUP OF FUNDS

Canadian Corporate High-Grade Bond Fund
Canadian Corporate Investment-Grade Bond Fund
Short Term Bond Fund
Pension Bond Fund
Realpool Investment Fund
Realpool International Fund 1999
Realpool International Fund 2001
2001 Realpool International Fund
Realpool International Fund 2002
2004 Realpool International Fund
Fixed Term Mortgage Fund
Construction Mortgage Fund
Specialty Mortgage Fund
Private Placement Fund 1995
Private Placement Fund 1996
Private Placement Fund 1997
Private Placement Fund 1998
Private Placement Fund 1999
Private Placement Fund 1999A
Private Placement Fund 2000
2000 Private Placement Fund
Private Placement Fund 2001
2001 Private Placement Fund
Private Placement Fund 2002
2002 Private Placement Fund
Private Placement Fund 2003
2003 Private Placement Fund
Private Placement Fund 2003A
2003A Private Placement Fund
2004 Private Placement Fund
Asian Equity Fund
European Equity Fund
Indexed European Equity Fund
International Equity Fund
Indexed International Equity Fund
Infrastructure Fund One
Infrastructure Fund Two
Strategic Investment and Infrastructure Fund
Strategic Inv 100 Foreign PP Fund

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2004

British Columbia Investment Management Corporation

Pooled Investment Portfolios

# STATEMENT OF RESPONSIBILITY

Responsibility for the integrity, objectivity and the preparation of the accompanying financial statements rests with the management of the British Columbia Investment Management Corporation. These statements are prepared in accordance with Canadian generally accepted accounting principles consistently applied and include some amounts that are based on best estimates and judgements. Systems of internal controls are in place to provide reasonable assurance that transactions are appropriately authorized, assets are safeguarded and financial records are properly maintained to provide reliable financial statements.

The Auditor General of the Province of British Columbia conducts an independent examination, in accordance with Canadian generally accepted auditing standards, and provides an independent professional opinion on the financial statements.

Doug Pearce
Chief Executive Officer
Chief Investment Officer

Lynne Ronneseth
Vice President, Finance & Operations

Victoria, British Columbia
August 19, 2005

# Report of the Auditor General of British Columbia

To the Unitholders of:

Canadian Corporate High-Grade Bond Fund
Pension Bond Fund
Construction Mortgage Fund
Private Placement Fund 2002
Asian Equity Fund
International Equity Fund
Infrastructure Fund Two
Canadian Corporate Investment-Grade Bond Fund
Realpool International Fund 2001
Private Placement Fund 2000
Private Placement Fund 2003
European Equity Fund
Indexed International Equity Fund
Fixed Term Mortgage Fund
Short Term Bond Fund
Private Placement Fund 2001
Private Placement Fund 2003A
Indexed European Equity Fund
Infrastructure Fund One
(collectively, "the Funds")

I have audited the statements of net assets as at December 31, 2004 and December 31, 2003 of the Funds, the statements of changes in net assets for the years then ended, or for the shorter period since the inception date disclosed in Note 1, and the statements of investments as at December 31, 2004. These financial statements are the responsibility of the Funds' management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2004 and December 31, 2003, the changes in their net assets for the years then ended or for the shorter period since the inception date disclosed in Note 1, and their investments as at December 31, 2004 in accordance with Canadian generally accepted accounting principles.

Wayne Strelioff

*Victoria, British Columbia*
*August 19, 2005*

Wayne Strelioff, FCA
Auditor General

# Report of the Auditor General of British Columbia

To the Unitholders of:

Realpool Investment Fund
Realpool International Fund 2002
Private Placement Fund 1995
Private Placement Fund 1998
2000 Private Placement Fund
2003 Private Placement Fund
Strategic Investment and Infrastructure Fund
Realpool International Fund 1999
2004 Realpool International Fund
Private Placement Fund 1996
Private Placement Fund 1999
2001 Private Placement Fund
2003A Private Placement Fund
Strategic Inv 100 Foreign PP Fund
2001 Realpool International Fund
Specialty Mortgage Fund
Private Placement Fund 1997
Private Placement Fund 1999A
2002 Private Placement Fund
Private Placement Fund 2004
(collectively, "the Funds")

I have audited the consolidated statements of net assets as at December 31, 2004 and December 31, 2003 of the Funds, the consolidated statements of changes in net assets for the years then ended, or for the shorter period since the inception date disclosed in Note 1, and the consolidated statements of investments as at December 31, 2004. These financial statements are the responsibility of the Funds' management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2004 and December 31, 2003, the changes in their net assets for the years then ended or for the shorter period since the inception date disclosed in Note 1, and their investments as at December 31, 2004 in accordance with Canadian generally accepted accounting principles.

Wayne Strelioff

Wayne Strelioff, FCA
Auditor General

*Victoria, British Columbia*
*August 19, 2005*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | CANADIAN CORPORATE HIGH-GRADE BOND FUND | | CANADIAN CORPORATE INVESTMENT-GRADE BOND FUND | SHORT TERM BOND FUND | |
|---|---|---|---|---|---|
| | 2004 (note 1) | 2003 | 2004 (note 1) | 2004 | 2003 |
| Investments at market value | $ 220,553 | $ 1,965,033 | $ 1,895,200 | $ 295,473 | $ 523,036 |
| Receivable from sale of investments | - | 6,348 | - | - | - |
| Accrued investment income | 2,432 | 27,548 | 26,188 | 2,474 | 5,063 |
| **Total assets** | 222,985 | 2,000,929 | 1,921,388 | 297,947 | 528,099 |
| bcIMC funds management fees payable (note 10) | 11 | 55 | 61 | 7 | 12 |
| Payable for purchase of investments | - | 9,737 | - | - | - |
| Custodial fees payable | 1 | 7 | 6 | 2 | 2 |
| Accounts payable | 6 | 11 | 6 | 9 | 15 |
| **Total liabilities** | 18 | 9,810 | 73 | 18 | 29 |
| **Net assets representing unitholders' equity** | $ 222,967 | $ 1,991,119 | $ 1,921,315 | $ 297,929 | $ 528,070 |
| Number of units outstanding (note 14) | 63,077 | 603,117 | 1,867,190 | 166,299 | 309,878 |
| **Net asset value per unit** | $ 3,535 | $ 3,301 | $ 1,029 | $ 1,792 | $ 1,704 |

The accompanying notes are an integral part of these financial statements.

Doug Pearce
Chief Executive Officer
Chief Investment Officer

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**($ Thousands)**

| | CANADIAN CORPORATE HIGH-GRADE BOND FUND | | CANADIAN CORPORATE INVESTMENT-GRADE BOND FUND | SHORT TERM BOND FUND | |
|---|---|---|---|---|---|
| | 2004 (note 1) | 2003 | 2004 (note 1) | 2004 | 2003 |
| **Net assets, beginning of year** | $ 1,991,119 | $ 1,788,930 | $ - | $ 528,070 | $ 784,601 |
| **Changes during the year:** | | | | | |
| **Operations:** | | | | | |
| Income: | | | | | |
| Investment income | 80,452 | 108,220 | 25,047 | 19,863 | 30,015 |
| Expenses (note 9, 10): | | | | | |
| bcIMC funds management fees | 463 | 545 | 164 | 119 | 143 |
| Custodial fees | 24 | 28 | 9 | 8 | 10 |
| Administrative and professional fees | 9 | 11 | 6 | 12 | 15 |
| | 496 | 584 | 179 | 139 | 168 |
| Net investment income | 79,956 | 107,636 | 24,868 | 19,724 | 29,847 |
| Net realized gain (loss) on sale of investments | 94,088 | 14,629 | 1,607 | 6,678 | 8,465 |
| Net unrealized gain (loss) on investments | (86,775) | 17,464 | 27,593 | (5,329) | (9,435) |
| | 87,269 | 139,729 | 54,068 | 21,073 | 28,877 |
| **Capital transactions:** | | | | | |
| Proceeds from units issued | 47,196 | 83,959 | 1,867,247 | 42,332 | 132,247 |
| Amounts paid for units redeemed | (1,902,617) | (21,499) | - | (293,546) | (417,655) |
| | (1,855,421) | 62,460 | 1,867,247 | (251,214) | (285,408) |
| **Net increase (decrease) during the year** | (1,768,152) | 202,189 | 1,921,315 | (230,141) | (256,531) |
| **Net assets, end of year** | $ 222,967 | $ 1,991,119 | $ 1,921,315 | $ 297,929 | $ 528,070 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | PENSION BOND FUND | | REALPOOL INVESTMENT FUND | | REALPOOL INTERNATIONAL FUND 1999 | |
|---|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 (Restated) |
| | | | (Consolidated) | | (Consolidated) | |
| Investments at market value | $ 6,967,134 | $ 6,542,294 | $ 6,374,930 | $ 5,496,387 | $ 132,182 | $ 129,775 |
| Cash | - | - | 18,752 | 47,439 | 803 | 1,101 |
| Receivable from sale of investments | - | 108,142 | - | - | - | - |
| Accrued investment income | 77,138 | 71,500 | 64 | - | - | - |
| Accounts receivable | - | - | 15,524 | 14,460 | 33 | 69 |
| Other assets (note 5) | - | - | 105,257 | 76,369 | 855 | 887 |
| **Total assets** | 7,044,272 | 6,721,936 | 6,514,527 | 5,634,655 | 133,873 | 131,832 |
| bcIMC funds management fees payable (note 10) | 107 | 81 | 133 | 179 | 4 | 7 |
| Payable for purchase of investments | - | 120,331 | - | - | - | - |
| Payable for redemption of units | - | - | 80,000 | 63,000 | - | - |
| Custodial fees payable | 31 | 31 | - | - | - | - |
| Accounts payable | 7 | 11 | - | - | 565 | 709 |
| Mortgages at market value and other payables (note 6) | - | - | 1,307,392 | 957,390 | 20,602 | 21,841 |
| **Total liabilities** | 145 | 120,454 | 1,387,525 | 1,020,569 | 21,171 | 22,557 |
| **Net assets representing unitholders' equity** | $ 7,044,127 | $ 6,601,482 | $ 5,127,002 | $ 4,614,086 | $ 112,702 | $ 109,275 |
| Number of units outstanding (note 14) | 2,949,570 | 2,970,543 | 1,728,108 | 1,714,337 | 118,076 | 128,507 |
| **Net asset value per unit** | $ 2,388 | $ 2,222 | $ 2,967 | $ 2,691 | $ 954 | $ 850 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**($ Thousands)**

| | PENSION BOND FUND | | REALPOOL INVESTMENT FUND (Consolidated) | | REALPOOL INTERNATIONAL FUND 1999 (Consolidated) | |
|---|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 (Restated) |
| **Net assets, beginning of year** | $ 6,601,482 | $ 6,429,499 | $ 4,614,086 | $ 4,423,844 | $ 109,275 | $ 112,985 |
| **Changes during the year:** | | | | | | |
| **Operations:** | | | | | | |
| Income: | | | | | | |
| Investment income | 329,733 | 331,877 | 6,503 | 3,704 | 1,929 | 8,534 |
| Net rental income | - | - | 238,068 | 230,382 | (416) | (223) |
| | 329,733 | 331,877 | 244,571 | 234,086 | 1,513 | 8,311 |
| Expenses (note 9, 10): | | | | | | |
| bcIMC funds management fees | 1,267 | 809 | 1,555 | 1,843 | 51 | 72 |
| External management fees | - | - | 21,283 | 16,685 | - | - |
| Custodial fees | 135 | 122 | 1 | - | - | - |
| Administrative and professional fees | 8 | 11 | 3,160 | 1,337 | 35 | 42 |
| | 1,410 | 942 | 25,999 | 19,865 | 86 | 114 |
| Net investment income | 328,323 | 330,935 | 218,572 | 214,221 | 1,427 | 8,197 |
| Net realized gain (loss) on sale of investments | 105,652 | 215,869 | 1,082 | 20,353 | 6,268 [1] | (225) [1] |
| Net unrealized gain (loss) on investments | 60,670 | (147,221) | 260,262 | 101,668 | 6,270 [1] | (16,869) [1] |
| | 494,645 | 399,583 | 479,916 | 336,242 | 13,965 | (8,897) |
| **Capital transactions:** | | | | | | |
| Proceeds from units issued | 519,640 | 524,669 | 243,000 | 35,000 | 3,331 | 5,187 |
| Amounts paid for units redeemed | (571,640) | (752,269) | (210,000) | (181,000) | (13,869) | - |
| | (52,000) | (227,600) | 33,000 | (146,000) | (10,538) | 5,187 |
| **Net increase (decrease) during the year** | 442,645 | 171,983 | 512,916 | 190,242 | 3,427 | (3,710) |
| **Net assets, end of year** | $ 7,044,127 | $ 6,601,482 | $ 5,127,002 | $ 4,614,086 | $ 112,702 | $ 109,275 |

The accompanying notes are an integral part of these financial statements.

---

[1] *The net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ *(11,205)* $ *(21,861)*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | REALPOOL INTERNATIONAL FUND 2001 | | 2001 REALPOOL INTERNATIONAL FUND | REALPOOL INTERNATIONAL FUND 2002 | |
|---|---|---|---|---|---|
| | 2004 (note 1) | 2003 | 2004 (Note 1) (Consolidated) | 2004 (Consolidated) | 2003 (Restated) (Consolidated) |
| Investments at market value | $ - | $ 78,740 | $ 78,909 | $ 54,433 | $ 11,481 |
| Accounts receivable | - | 26 | - | 257 | 1,614 |
| **Total assets** | - | 78,766 | 78,909 | 54,690 | 13,095 |
| bcIMC funds management fees payable (note 10) | - | 7 | 4 | 4 | 6 |
| Accounts payable | - | 18 | 4 | 12 | 24 |
| **Total liabilities** | - | 25 | 8 | 16 | 30 |
| **Net assets representing unitholders' equity** | $ - | $ 78,741 | $ 78,901 | $ 54,674 | $ 13,065 |
| Number of units outstanding (note 14) | - | 93,993 | 75,195 | 76,393 | 16,632 |
| **Net asset value per unit** | $ - | $ 838 | $ 1,049 | $ 716 | $ 786 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**($ Thousands)**

| | REALPOOL INTERNATIONAL FUND 2001 | | 2001 REALPOOL INTERNATIONAL FUND | REALPOOL INTERNATIONAL FUND 2002 | |
|---|---|---|---|---|---|
| | 2004 (note 1) | 2003 | 2004 (note 1) (Consolidated) | 2004 | 2003 (Restated) (Consolidated) |
| **Net assets, beginning of year** | $ 78,741 | $ 95,421 | $ - | $ 13,065 | $ 821 |
| **Changes during the year:** | | | | | |
| **Operations:** | | | | | |
| Income: | | | | | |
| Investment income | - | (166) | 204 | 2,994 | 193 |
| Expenses (note 9, 10): | | | | | |
| bcIMC funds management fees | - | 68 | 38 | 39 | 62 |
| Custodial fees | - | 1 | 1 | - | - |
| Administrative and professional fees | - | 18 | 14 | 29 | 63 |
| | - | 87 | 53 | 68 | 125 |
| Net investment income | - | (253) | 151 | 2,926 | 68 |
| Net realized gain (loss) on sale of investments | - [1] | - [1] | - [1] | 131 [1] | (49) [1] |
| Net unrealized gain (loss) on investments | 16,118 [1] | (16,742) [1] | 2,863 [1] | (8,833) [1] | (825) [1] |
| | 16,118 | (16,995) | 3,014 | (5,776) | (806) |
| **Capital transactions:** | | | | | |
| Proceeds from units issued | - | 315 | 75,887 | 50,899 | 13,050 |
| Amounts paid for units redeemed | (94,859) | - | - | (3,514) | - |
| | (94,859) | 315 | 75,887 | 47,385 | 13,050 |
| **Net increase (decrease) during the year** | (78,741) | (16,680) | 78,901 | 41,609 | 12,244 |
| **Net assets, end of year** | $ - | $ 78,741 | $ 78,901 | $ 54,674 | $ 13,065 |

The accompanying notes are an integral part of these financial statements.

---

[1] *The net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ *16,627* $ *(17,334)* $ *(23,838)* $ *(4,967)* $ *(811)*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | 2004 REALPOOL INTERNATIONAL FUND | FIXED TERM MORTGAGE FUND | | CONSTRUCTION MORTGAGE FUND | |
|---|---|---|---|---|---|
| | 2004 (note 1) (Consolidated) | 2004 | 2003 | 2004 | 2003 |
| Investments at market value | $ 127,444 | $ 1,767,627 | $ 1,609,553 | $ 307,331 | $ 227,046 |
| Accounts receivable | - | - | - | 1,233 | - |
| Receivable from sale of investments | 2,202 | - | - | - | - |
| Receivable from issue of units | - | - | 41,126 | 826 | - |
| Accrued investment income | 205 | 8,564 | 8,260 | - | 896 |
| **Total assets** | 129,851 | 1,776,191 | 1,658,939 | 309,390 | 227,942 |
| bcIMC funds management fees payable (note 10) | 4 | 70 | 102 | 21 | 36 |
| Payable for redemption of units | - | 15,000 | - | 30,000 | - |
| External management fees payable | 1,076 | - | - | - | - |
| Custodial fees payable | - | 1 | 1 | - | - |
| Mortgage servicing fees payable | - | 97 | 87 | 15 | 14 |
| Accounts payable | 52 | 1,208 | 21 | 14 | 13 |
| **Total liabilities** | 1,132 | 16,376 | 211 | 30,050 | 63 |
| **Net assets representing unitholders' equity** | $ 128,719 | $ 1,759,815 | $ 1,658,728 | $ 279,340 | $ 227,879 |
| Number of units outstanding (note 14) | 158,797 | 793,311 | 800,483 | 148,924 | 128,231 |
| **Net asset value per unit** | $ 811 | $ 2,218 | $ 2,072 | $ 1,876 | $ 1,777 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**($ Thousands)**

| | 2004 REALPOOL INTERNATIONAL FUND 2004 | FIXED TERM MORTGAGE FUND | | CONSTRUCTION MORTGAGE FUND | |
|---|---|---|---|---|---|
| | 2004 (note 1) (Consolidated) | 2004 | 2003 | 2004 | 2003 |
| **Net assets, beginning of year** | $ - | $ 1,658,728 | $ 1,552,982 | $ 227,879 | $ 213,143 |
| **Changes during the year:** | | | | | |
| **Operations:** | | | | | |
| Income: | | | | | |
| Investment income | 1,109 | 115,972 | 103,872 | 14,943 | 13,776 |
| Expenses (note 9, 10): | | | | | |
| bcIMC funds management fees | 15 | 828 | 1,014 | 261 | 379 |
| External management fees | 1,076 | - | - | - | - |
| Mortgage servicing and brokerage fees | - | 1,091 | 1,078 | 198 | 148 |
| Custodial fees | 1 | 3 | 3 | 1 | - |
| Administrative and professional fees | 35 | 50 | 24 | 21 | 13 |
| | 1,127 | 1,972 | 2,119 | 481 | 540 |
| Net investment income | (18) | 114,000 | 101,753 | 14,462 | 13,236 |
| Net realized gain (loss) on sale of investments | 129 [1] | 2 | (2,221) | 1 | - |
| Net unrealized gain (loss) on investments | 2,308 [1] | 1,085 | 4,088 | (2) | - |
| | 2,419 | 115,087 | 103,620 | 14,461 | 13,236 |
| **Capital transactions:** | | | | | |
| Proceeds from units issued | 126,300 | 130,351 | 171,406 | 115,648 | 52,803 |
| Amounts paid for units redeemed | - | (144,351) | (169,280) | (78,648) | (51,303) |
| | 126,300 | (14,000) | 2,126 | 37,000 | 1,500 |
| **Net increase (decrease) during the year** | 128,719 | 101,087 | 105,746 | 51,461 | 14,736 |
| **Net assets, end of year** | $ 128,719 | $ 1,759,815 | $ 1,658,728 | $ 279,340 | $ 227,879 |

The accompanying notes are an integral part of these financial statements.

---

[1] *The net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ *(4,470)*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | SPECIALTY MORTGAGE FUND | | PRIVATE PLACEMENT FUND 1995 | | PRIVATE PLACEMENT FUND 1996 | |
|---|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | (Consolidated) | | (Consolidated) | | (Consolidated) | |
| Investments at market value | $ 65,558 | $ 45,181 | $ 36,651 | $ 40,890 | $ 40,468 | $ 65,148 |
| Cash | - | - | 723 | - | - | - |
| Accrued investment income | 1,111 | 410 | - | - | - | - |
| Other receivables | 2 | - | - | - | - | - |
| **Total assets** | 66,671 | 45,591 | 37,374 | 40,890 | 40,468 | 65,148 |
| bcIMC funds management fees payable (note 10) | 2 | 4 | 4 | 7 | 10 | 11 |
| Payable for redemption of units | 5,000 | - | - | - | - | - |
| External management fees payable | - | - | - | - | 46 | 57 |
| Mortgage servicing fees payable | 3 | 2 | - | - | - | - |
| Accounts payable | 244 | 20 | 13 | 30 | 13 | 31 |
| **Total liabilities** | 5,249 | 26 | 17 | 37 | 69 | 99 |
| **Net assets representing unitholders' equity** | $ 61,422 | $ 45,565 | $ 37,357 | $ 40,853 | $ 40,399 | $ 65,049 |
| Number of units outstanding (note 14) | 39,261 | 31,636 | 16,368 | 18,891 | 11,564 | 20,551 |
| **Net asset value per unit** | $ 1,564 | $ 1,440 | $ 2,282 | $ 2,163 | $ 3,494 | $ 3,165 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**($ Thousands)**

| | SPECIALTY MORTGAGE FUND | | PRIVATE PLACEMENT FUND 1995 | | PRIVATE PLACEMENT FUND 1996 | |
|---|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | (Consolidated) | | (Consolidated) | | (Consolidated) | |
| **Net assets, beginning of year** | $ 45,565 | $ 19,818 | $ 40,853 | $ 62,069 | $ 65,049 | $ 72,282 |
| **Changes during the year:** | | | | | | |
| **Operations:** | | | | | | |
| Income: | | | | | | |
| Investment income | 5,949 | 2,820 | 506 | 856 | 3,227 | 2,383 |
| Expenses (note 9, 10): | | | | | | |
| bcIMC funds management fees | 26 | 36 | 56 | 76 | 123 | 117 |
| External management fees | 263 | - | - | 3 | 201 | 227 |
| Mortgage servicing and brokerage fees | 38 | 15 | - | - | - | - |
| Administrative and professional fees | 223 | 19 | 35 | 56 | 40 | 41 |
| | 550 | 70 | 91 | 135 | 364 | 385 |
| Net investment income | 5,399 | 2,750 | 415 | 721 | 2,863 | 1,998 |
| Net realized gain (loss) on sale of investments | - | - | 7,140 [1] | 5,861 [1] | 24,086 [1] | 3,981 [1] |
| Net unrealized gain (loss) on investments | (172) | 152 | (5,251) [1] | (14,798) [1] | (21,999) [1] | (4,812) [1] |
| | 5,227 | 2,902 | 2,304 | (8,216) | 4,950 | 1,167 |
| **Capital transactions:** | | | | | | |
| Proceeds from units issued | 25,470 | 28,651 | - | - | - | - |
| Amounts paid for units redeemed | (14,840) | (5,806) | (5,800) | (13,000) | (29,600) | (8,400) |
| | 10,630 | 22,845 | (5,800) | (13,000) | (29,600) | (8,400) |
| **Net increase (decrease) during the year** | 15,857 | 25,747 | (3,496) | (21,216) | (24,650) | (7,233) |
| **Net assets, end of year** | $ 61,422 | $ 45,565 | $ 37,357 | $ 40,853 | $ 40,399 | $ 65,049 |

The accompanying notes are an integral part of these financial statements.

---

[1] *The net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ *(3,263)* $ *(10,089)* $ *(1,654)* $ *(4,396)*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | PRIVATE PLACEMENT FUND 1997 | | PRIVATE PLACEMENT FUND 1998 | | PRIVATE PLACEMENT FUND 1999 | |
|---|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | (Consolidated) | | (Consolidated) | | (Consolidated) | |
| Investments at market value | $ 291,720 | $ 339,286 | $ 158,658 | $ 193,310 | $ 161,063 | $ 164,372 |
| Cash | 4,504 | - | - | - | 355 | 4,373 |
| Receivable from sale of investments | - | - | 6,890 | - | 114 | 248 |
| Accrued investment income | 262 | 178 | - | - | - | - |
| Withholding taxes receivable | 229 | - | - | - | - | - |
| **Total assets** | 296,715 | 339,464 | 165,548 | 193,310 | 161,532 | 168,993 |
| bcIMC funds management fees payable (note 10) | 24 | 31 | 19 | 18 | 23 | 24 |
| External management fees payable | 39 | 131 | - | - | - | - |
| Accounts payable | 23 | 58 | 23 | 57 | 328 | 202 |
| **Total liabilities** | 86 | 220 | 42 | 75 | 351 | 226 |
| **Net assets representing unitholders' equity** | $ 296,629 | $ 339,244 | $ 165,506 | $ 193,235 | $ 161,181 | $ 168,767 |
| Number of units outstanding (note 14) | 225.353 | 280.618 | 150.609 | 173.477 | 301.419 | 320.818 |
| **Net asset value per unit** | $ 1,316 | $ 1,209 | $ 1,099 | $ 1,114 | $ 535 | $ 526 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**($ Thousands)**

| | PRIVATE PLACEMENT FUND 1997 (Consolidated) | | PRIVATE PLACEMENT FUND 1998 (Consolidated) | | PRIVATE PLACEMENT FUND 1999 (Consolidated) | |
|---|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| **Net assets, beginning of year** | $ 339,244 | $ 374,096 | $ 193,235 | $ 211,944 | $ 168,767 | $ 176,227 |
| **Changes during the year:** | | | | | | |
| **Operations:** | | | | | | |
| Income: | | | | | | |
| Investment income | 5,540 | 2,665 | 10,698 | 6,312 | 1,606 | 89 |
| Expenses (note 9, 10): | | | | | | |
| bcIMC funds management fees | 316 | 342 | 230 | 191 | 295 | 273 |
| External management fees | 241 | 632 | - | - | - | - |
| Custodial fees | 1 | - | 1 | - | - | - |
| Administrative and professional fees | 42 | 74 | 55 | 70 | 239 | 55 |
| | 600 | 1,048 | 286 | 261 | 534 | 328 |
| Net investment income | 4,940 | 1,617 | 10,412 | 6,051 | 1,072 | (239) |
| Net realized gain (loss) on sale of investments | 46,673 [1] | 19,411 [1] | 7,618 [1] | 20,418 [1] | 4,363 [1] | 2,199 [1] |
| Net unrealized gain (loss) on investments | (19,918) [1] | (35,844) [1] | (18,933) [1] | (31,316) [1] | (2,409) [1] | (28,528) [1] |
| | 31,695 | (14,816) | (903) | (4,847) | 3,026 | (26,568) |
| **Capital transactions:** | | | | | | |
| Proceeds from units issued | 7,490 | 6,866 | 3,974 | 20,638 | 4,888 | 19,108 |
| Amounts paid for units redeemed | (81,800) | (26,902) | (30,800) | (34,500) | (15,500) | - |
| | (74,310) | (20,036) | (26,826) | (13,862) | (10,612) | 19,108 |
| **Net increase (decrease) during the year** | (42,615) | (34,852) | (27,729) | (18,709) | (7,586) | (7,460) |
| **Net assets, end of year** | $ 296,629 | $ 339,244 | $ 165,506 | $ 193,235 | $ 161,181 | $ 168,767 |

The accompanying notes are an integral part of these financial statements.

---

[1] *The net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ *(20,650)* $ *(53,844)* $ *(1,188)* $ *(14,638)* $ *(11,404)* $ *(28,903)*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | PRIVATE PLACEMENT FUND 1999A (Consolidated) | | PRIVATE PLACEMENT FUND 2000 | | 2000 PRIVATE PLACEMENT FUND (Consolidated) |
|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 (note 1) | 2003 | 2004 (note 1) |
| Investments at market value | $ 69,421 | $ 92,497 | $ - | $ 215,823 | $ 186,115 |
| Cash | - | 728 | - | 3,717 | - |
| Receivable from sale of investments | 4 | - | - | - | - |
| Accrued investment income | - | - | - | 3 | 15 |
| **Total assets** | 69,425 | 93,225 | - | 219,543 | 186,130 |
| bcIMC funds management fees payable (note 10) | 15 | 13 | - | 27 | 23 |
| Accounts payable | 31 | 67 | - | 179 | 43 |
| **Total liabilities** | 46 | 80 | - | 206 | 66 |
| **Net assets representing unitholders' equity** | $ 69,379 | $ 93,145 | $ - | $ 219,337 | $ 186,064 |
| Number of units outstanding (note 14) | 42.039 | 64.076 | - | 327.981 | 245.311 |
| **Net asset value per unit** | $ 1,650 | $ 1,454 | $ - | $ 669 | $ 758 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**($ Thousands)**

| | PRIVATE PLACEMENT FUND 1999A (Consolidated) | | PRIVATE PLACEMENT FUND 2000 | | 2000 PRIVATE PLACEMENT FUND (Consolidated) |
|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 (Note 1) | 2003 | 2004 (note 1) |
| **Net assets, beginning of year** | $ 93,145 | $ 167,382 | $ 219,337 | $ 199,934 | $ - |
| **Changes during the year:** | | | | | |
| **Operations:** | | | | | |
| Income: | | | | | |
| Investment income | 1,333 | 59 | - | 809 | 2,092 |
| Expenses (note 9, 10): | | | | | |
| bcIMC funds management fees | 183 | 153 | - | 305 | 319 |
| Custodial fees | 1 | - | - | - | 1 |
| Administrative and professional fees | 120 | 71 | - | 213 | 200 |
| | 304 | 224 | - | 518 | 520 |
| Net investment income | 1,029 | (165) | - | 291 | 1,572 |
| Net realized gain (loss) on sale of investments | 20,171 [1] | 47,634 [1] | - [1] | (1,832) [1] | 13,179 [1] |
| Net unrealized gain (loss) on investments | (10,224) [1] | (41,648) [1] | 92,146 [1] | (27,041) [1] | (34,859) [1] |
| | 10,976 | 5,821 | 92,146 | (28,582) | (40,108) |
| **Capital transactions:** | | | | | |
| Proceeds from units issued | 2,158 | 14,942 | - | 47,985 | 236,972 |
| Amounts paid for units redeemed | (36,900) | (95,000) | (311,483) | - | (10,800) |
| | (34,742) | (80,058) | (311,483) | 47,985 | 226,172 |
| **Net increase (decrease) during the year** | (23,766) | (74,237) | (219,337) | 19,403 | 186,064 |
| **Net assets, end of year** | $ 69,379 | $ 93,145 | $ - | $ 219,337 | $ 186,064 |

The accompanying notes are an integral part of these financial statements.

---

[1] *The net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ (5,675) $ (7,784) $ 2,673 $ (17,239) $ (7,661)

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | PRIVATE PLACEMENT FUND 2001 | | 2001 PRIVATE PLACEMENT FUND | PRIVATE PLACEMENT FUND 2002 | |
|---|---|---|---|---|---|
| | 2004 (note 1) | 2003 | 2004 (note 1) (Consolidated) | 2004 (note 1) | 2003 |
| Investments at market value | $ - | $ 88,763 | $ 73,580 | $ - | $ 81,258 |
| Cash | - | 3,877 | - | - | 2,797 |
| Accounts receivable | - | - | - | - | 477 |
| Investments at market value | - | - | - | - | 747 |
| **Total assets** | - | 92,640 | 73,580 | - | 85,279 |
| bcIMC funds management fees payable (note 10) | - | 14 | 13 | - | 14 |
| Accounts payable | - | 120 | 28 | - | 75 |
| **Total liabilities** | - | 134 | 41 | - | 89 |
| **Net assets representing unitholders' equity** | $ - | $ 92,506 | $ 73,539 | $ - | $ 85,190 |
| Number of units outstanding (note 14) | - | 108,404 | 75,902 | - | 76,631 |
| **Net asset value per unit** | $ - | $ 853 | $ 969 | $ - | $ 1,112 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**($ Thousands)**

| | PRIVATE PLACEMENT FUND 2001 | | 2001 PRIVATE PLACEMENT FUND | PRIVATE PLACEMENT FUND 2002 | |
|---|---|---|---|---|---|
| | 2004 (note 1) | 2003 | 2004 (note 1) (Consolidated) | 2004 (note 1) | 2003 |
| **Net assets, beginning of year** | $ 92,506 | $ 48,235 | $ - | $ 85,190 | $ 34,628 |
| **Changes during the year:** | | | | | |
| **Operations:** | | | | | |
| Income: | | | | | |
| Investment income | - | 5 | 42 | - | 2,079 |
| Expenses (note 9, 10): | | | | | |
| bcIMC funds management fees | - | 154 | 136 | - | 119 |
| Administrative and professional fees | - | 126 | 119 | - | 105 |
| | - | 280 | 255 | - | 224 |
| Net investment income | - | (275) | (213) | - | 1,855 |
| Net realized gain (loss) on sale of investments | - [1] | 655 [1] | 132 [1] | - [1] | 109 [1] |
| Net unrealized gain (loss) on investments | 6,131 [1] | (669) [1] | 5,450 [1] | (4,459) [1] | 4,172 [1] |
| | 6,131 | (289) | 5,369 | (4,459) | 6,136 |
| **Capital transactions:** | | | | | |
| Proceeds from units issued | - | 44,560 | 68,170 | - | 44,426 |
| Amounts paid for units redeemed | (98,637) | - | - | (80,731) | - |
| | (98,637) | 44,560 | 68,170 | (80,731) | 44,426 |
| **Net increase (decrease) during the year** | (92,506) | 44,271 | 73,539 | (85,190) | 50,562 |
| **Net assets, end of year** | $ - | $ 92,506 | $ 73,539 | $ - | $ 85,190 |

The accompanying notes are an integral part of these financial statements.

---

[1] *The net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ *11,610* $ *(12,475)* $ *(12,411)* $ *(1,963)* $ *2,236*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | 2002 PRIVATE PLACEMENT FUND 2004 (note 1) (Consolidated) | PRIVATE PLACEMENT FUND 2003 2004 (note 1) | PRIVATE PLACEMENT FUND 2003 2003 | 2003 PRIVATE PLACEMENT FUND 2004 (note 1) (Consolidated) |
|---|---|---|---|---|
| Investments at market value | $ 81,380 | $ - | $ 3,091 | $ 38,802 |
| Accrued investment income | 879 | - | - | - |
| **Total assets** | 82,259 | - | 3,091 | 38,802 |
| bcIMC funds management fees payable (note 10) | 14 | - | 34 | 14 |
| Payable for purchase of investments | - | - | - | 448 |
| Accounts payable | 19 | - | 27 | 17 |
| **Total liabilities** | 33 | - | 61 | 479 |
| **Net assets representing unitholders' equity** | $ 82,226 | $ - | $ 3,030 | $ 38,323 |
| Number of units outstanding (note 14) | 62,740 | - | 5,357 | 73,428 |
| **Net asset value per unit** | $ 1.311 | $ - | $ 566 | $ 522 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**($ Thousands)**

| | 2002 PRIVATE PLACEMENT FUND | PRIVATE PLACEMENT FUND 2003 | | 2003 PRIVATE PLACEMENT FUND |
|---|---|---|---|---|
| | 2004 (note 1) (Consolidated) | 2004 (note 1) | 2003 | 2004 (note 1) (Consolidated) |
| **Net assets, beginning of year** | $ - | $ 3,030 | $ - | $ - |
| **Changes during the year:** | | | | |
| **Operations:** | | | | |
| Income: | | | | |
| Investment income | 2,881 | - | - | 263 |
| Expenses (note 9, 10): | | | | |
| bcIMC funds management fees | 153 | - | 291 | 221 |
| Administrative and professional fees | 76 | - | 86 | 42 |
| | 229 | - | 377 | 263 |
| Net investment income | 2,652 | - | (377) | - |
| Net realized gain (loss) on sale of investments | 4,246 [1] | - [1] | (11) [1] | (28) [1] |
| Net unrealized gain (loss) on investments | 7,941 [1] | 1,939 [1] | (1,939) [1] | (5,591) [1] |
| | 14,839 | 1,939 | (2,327) | (5,619) |
| **Capital transactions:** | | | | |
| Proceeds from units issued | 71,624 | - | 5,357 | 44,188 |
| Amounts paid for units redeemed | (4,237) | (4,969) | - | (246) |
| | 67,387 | (4,969) | 5,357 | 43,942 |
| **Net increase (decrease) during the year** | 82,226 | (3,030) | 3,030 | 38,323 |
| **Net assets, end of year** | $ 82,226 | $ - | $ 3,030 | $ 38,323 |

The accompanying notes are an integral part of these financial statements.

---

[1] *The net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ *1,321* | $ *(34)* | $ *(45)* | $ *(827)*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | PRIVATE PLACEMENT FUND 2003A | | 2003A PRIVATE PLACEMENT FUND | PRIVATE PLACEMENT FUND 2004 |
|---|---|---|---|---|
| | 2004 (note 1) | 2003 | 2004 (note 1) (Consolidated) | 2004 (note 1) (Consolidated) |
| Investments at market value | $ - | $ 21,628 | $ 23,320 | $ 24,904 |
| **Total assets** | - | 21,628 | 23,320 | 24,904 |
| bcIMC funds management fees payable (note 10) | - | 16 | 6 | 15 |
| Accounts payable | - | 22 | 12 | 98 |
| **Total liabilities** | - | 38 | 18 | 113 |
| **Net assets representing unitholders' equity** | $ - | $ 21,590 | $ 23,302 | $ 24,791 |
| Number of units outstanding (note 14) | - | 21,920 | 23,004 | 30,085 |
| **Net asset value per unit** | $ - | $ 985 | $ 1,013 | $ 824 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**($ Thousands)**

| | PRIVATE PLACEMENT FUND 2003A | | 2003A PRIVATE PLACEMENT FUND | PRIVATE PLACEMENT FUND 2004 |
|---|---|---|---|---|
| | 2004 (note 1) | 2003 | 2004 (Note 1) (Consolidated) | 2004 (note 1) (Consolidated) |
| **Net assets, beginning of year** | $ 21,590 | $ - | $ - | $ - |
| **Changes during the year:** | | | | |
| **Operations:** | | | | |
| Income: | | | | |
| Investment income | - | 2 | 1 | 6 |
| Expenses (note 9, 10): | | | | |
| bcIMC funds management fees | - | 101 | 100 | 73 |
| Administrative and professional fees | - | 64 | 39 | 154 |
| | - | 165 | 139 | 227 |
| Net investment income | - | (163) | (138) | (221) |
| Net realized gain (loss) on sale of investments | - | - | - | 81 [1] |
| Net unrealized gain (loss) on investments | 167 | (167) | 665 | (4,448) [1] |
| | 167 | (330) | 527 | (4,588) |
| **Capital transactions:** | | | | |
| Proceeds from units issued | - | 21,920 | 23,033 | 29,379 |
| Amounts paid for units redeemed | (21,757) | - | (258) | - |
| | (21,757) | 21,920 | 22,775 | 29,379 |
| **Net increase (decrease) during the year** | (21,590) | 21,590 | 23,302 | 24,791 |
| **Net assets, end of year** | $ - | $ 21,590 | $ 23,302 | $ 24,791 |

The accompanying notes are an integral part of these financial statements.

---

[1] *The net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ *(108)*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | ASIAN EQUITY FUND | | EUROPEAN EQUITY FUND | | INDEXED EUROPEAN EQUITY FUND |
|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 (note 1) |
| Investments at market value | $ 1,944,707 | $ 1,820,417 | $ 1,225,949 | $ 2,254,071 | $ 1,375,035 |
| Cash | 27,155 | 39,690 | 36,069 | 36,598 | 170 |
| Receivable from sale of investments | 4,811 | 3,529 | - | 311 | - |
| Accrued investment income | 3,909 | 1,500 | 1,259 | 2,574 | 1,864 |
| Withholding taxes receivable | 1 | 1 | 354 | 1,372 | 265 |
| **Total assets** | 1,980,583 | 1,865,137 | 1,263,631 | 2,294,926 | 1,377,334 |
| bcIMC funds management fees payable (note 10) | 32 | 46 | 23 | 78 | 33 |
| Payable for purchase of investments | 19,792 | 6,747 | - | 371 | 218 |
| External management fees payable | 1,553 | 1,446 | 890 | 982 | - |
| Custodial fees payable | 198 | 182 | 40 | 147 | 110 |
| Accounts payable | 18 | 45 | 18 | 35 | 10 |
| **Total liabilities** | 21,593 | 8,466 | 971 | 1,613 | 371 |
| **Net assets representing unitholders' equity** | $ 1,958,990 | $ 1,856,671 | $ 1,262,660 | $ 2,293,313 | $ 1,376,963 |
| Number of units outstanding (note 14) | 1,422,965 | 1,473,742 | 1,080,684 | 2,138,802 | 1,227,187 |
| **Net asset value per unit** | $ 1,377 | $ 1,260 | $ 1,168 | $ 1,072 | $ 1,122 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**($ Thousands)**

| | ASIAN EQUITY FUND | | EUROPEAN EQUITY FUND | | INDEXED EUROPEAN EQUITY FUND |
|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 (note 1) |
| **Net assets, beginning of year** | $ 1,856,671 | $ 1,306,563 | $ 2,293,313 | $ 2,283,114 | $ - |
| **Changes during the year:** | | | | | |
| **Operations:** | | | | | |
| Income: | | | | | |
| Investment income | 42,590 | 34,729 | 40,436 | 60,152 | 33,497 |
| Expenses (note 9, 10): | | | | | |
| bcIMC funds management fees | 415 | 365 | 331 | 649 | 342 |
| External management fees | 6,172 | 4,432 | 4,013 | 3,968 | - |
| Custodial fees | 824 | 629 | 355 | 763 | 447 |
| Administrative and professional fees | 15 | 47 | 14 | 35 | 10 |
| | 7,426 | 5,473 | 4,713 | 5,415 | 799 |
| Net investment income | 35,164 | 29,256 | 35,723 | 54,737 | 32,698 |
| Net realized gain (loss) on sale of investments | 165,655 [1] | (178,079) [1] | (158,740) [1] | (175,934) [1] | 424 [1] |
| Net unrealized gain (loss) on investments | (33,500) [1] | 438,591 [1] | 225,524 [1] | 355,846 [1] | 107,060 [1] |
| | 167,319 | 289,768 | 102,507 | 234,649 | 140,182 |
| **Capital transactions:** | | | | | |
| Proceeds from units issued | 38,423 | 268,887 | 56,752 | 34,982 | 1,304,476 |
| Amounts paid for units redeemed | (103,423) | (8,547) | (1,189,912) | (259,432) | (67,695) |
| | (65,000) | 260,340 | (1,133,160) | (224,450) | 1,236,781 |
| **Net increase (decrease) during the year** | 102,319 | 550,108 | (1,030,653) | 10,199 | 1,376,963 |
| **Net assets, end of year** | $ 1,958,990 | $ 1,856,671 | $ 1,262,660 | $ 2,293,313 | $ 1,376,963 |

The accompanying notes are an integral part of these financial statements.

---

[1] *The net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ *(130,393)* $ *(154,665)* $ *(7,786)* $ *(109,249)* $ *(192)*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | INTERNATIONAL EQUITY FUND | | INDEXED INTERNATIONAL EQUITY FUND | INFRASTRUCTURE FUND ONE | |
|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 (note 1) | 2004 | 2003 |
| Investments at market value | $ 2,887,562 | $ 4,014,210 | $ 1,942,640 | $ 148,207 | $ 130,051 |
| Cash | 93,349 | 49,346 | 494 | - | - |
| Receivable from sale of investments | 6,453 | 6,495 | 3,232 | - | - |
| Accrued investment income | 4,374 | 4,057 | 2,404 | - | - |
| Withholding taxes receivable | 854 | 2,020 | 302 | - | - |
| **Total assets** | 2,992,592 | 4,076,128 | 1,949,072 | 148,207 | 130,051 |
| bcIMC funds management fees payable (note 10) | 47 | 92 | 41 | 3 | 18 |
| Payable for purchase of investments | 13,359 | 6,280 | 335 | - | 7 |
| Payable for redemption of units | - | - | 3,232 | - | - |
| External management fees payable | 2,155 | 1,908 | - | - | - |
| Custodial fees payable | 192 | 240 | 131 | - | - |
| Accounts payable | 18 | 35 | 10 | 4 | - |
| **Total liabilities** | 15,771 | 8,555 | 3,749 | 7 | 25 |
| **Net assets representing unitholders' equity** | $ 2,976,821 | $ 4,067,573 | $ 1,945,323 | $ 148,200 | $ 130,026 |
| Number of units outstanding (note 14) | 2,352,873 | 3,554,698 | 1,742,352 | 95,642 | 100,121 |
| **Net asset value per unit** | $ 1,265 | $ 1,144 | $ 1,116 | $ 1,550 | $ 1,299 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**($ Thousands)**

| | INTERNATIONAL EQUITY FUND | | INDEXED INTERNATIONAL EQUITY FUND | INFRASTRUCTURE FUND ONE | |
|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 (note 1) | 2004 | 2003 |
| **Net assets, beginning of year** | $ 4,067,573 | $ 3,424,618 | $ - | $ 130,026 | $ 100,021 |
| **Changes during the year:** | | | | | |
| **Operations:** | | | | | |
| Income: | | | | | |
| Investment income | 71,365 | 85,062 | 45,064 | 4,374 | 4,082 |
| Expenses (note 9, 10): | | | | | |
| bcIMC funds management fees | 547 | 756 | 448 | 81 | 130 |
| External management fees | 8,457 | 6,908 | - | - | - |
| Custodial fees | 823 | 1,091 | 536 | 2 | 1 |
| Administrative and professional fees | 13 | 35 | 10 | 7 | 131 |
| | 9,840 | 8,790 | 994 | 90 | 262 |
| Net investment income | 61,525 | 76,272 | 44,070 | 4,284 | 3,820 |
| Net realized gain (loss) on sale of investments | (54,405) [1] | (181,843) [1] | 8,231 [1] | 2 | - |
| Net unrealized gain (loss) on investments | 276,314 [1] | 537,791 [1] | 140,146 [1] | 19,658 | 26,185 |
| | 283,434 | 432,220 | 192,447 | 23,944 | 30,005 |
| **Capital transactions:** | | | | | |
| Proceeds from units issued | 391,718 | 267,331 | 2,060,540 | - | - |
| Amounts paid for units redeemed | (1,765,904) | (56,596) | (307,664) | (5,770) | - |
| | (1,374,186) | 210,735 | 1,752,876 | (5,770) | - |
| **Net increase (decrease) during the year** | (1,090,752) | 642,955 | 1,945,323 | 18,174 | 30,005 |
| **Net assets, end of year** | $ 2,976,821 | $ 4,067,573 | $ 1,945,323 | $ 148,200 | $ 130,026 |

The accompanying notes are an integral part of these financial statements.

---

[1] *The net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ *(25,959)* $ *(504,285)* $ *(17,028)*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | INFRASTRUCTURE FUND TWO 2004 (note 1) | STRATEGIC INVESTMENT AND INFRASTRUCTURE FUND 2004 (note 1) (Consolidated) | STRATEGIC INV 100 FOREIGN PP FUND 2004 (note 1) (Consolidated) |
|---|---|---|---|
| Investments at market value | $ 39,187 | $ 89,872 | $ 64,619 |
| Receivable from sale of investments | - | - | 679 |
| Accrued investment income | 1 | 1,210 | 98 |
| **Total assets** | 39,188 | 91,082 | 65,396 |
| bcIMC funds management fees payable (note 10) | 1 | 10 | - |
| Accounts payable | 4 | 470 | 401 |
| **Total liabilities** | 5 | 480 | 401 |
| **Net assets representing unitholders' equity** | $ 39,183 | $ 90,602 | $ 64,995 |
| Number of units outstanding (note 14) | 35,059 | 88,213 | 62,808 |
| **Net asset value per unit** | $ 1.118 | $ 1.027 | $ 1.035 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENT OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED DECEMBER 31, 2004**

**($ Thousands)**

| | INFRASTRUCTURE FUND TWO 2004 (note 1) | STRATEGIC INVESTMENT AND INFRASTRUCTURE FUND 2004 (note 1) (Consolidated) | STRATEGIC INV 100 FOREIGN PP FUND 2004 (note 1) (Consolidated) |
|---|---|---|---|
| **Net assets, beginning of year** | $ - | $ - | $ - |
| **Changes during the year:** | | | |
| **Operations:** | | | |
| Income: | | | |
| Investment income | 95 | 2,957 | 510 |
| Expenses (note 9, 10): | | | |
| bcIMC funds management fees | 110 | 18 | - |
| Custodial fees | 1 | - | - |
| Administrative and professional fees | 4 | 270 | 38 |
| | 115 | 288 | 38 |
| Net investment income | (20) | 2,669 | 472 |
| Net realized gain (loss) on sale of investments | 3,669 | - | (675) [1] |
| Net unrealized gain (loss) on investments | 2,534 | (280) | 2,390 [1] |
| | 6,183 | 2,389 | 2,187 |
| **Capital transactions:** | | | |
| Proceeds from units issued | 50,500 | 88,213 | 62,808 |
| Amounts paid for units redeemed | (17,500) | - | - |
| | 33,000 | 88,213 | 62,808 |
| **Net increase (decrease) during the year** | 39,183 | 90,602 | 64,995 |
| **Net assets, end of year** | $ 39,183 | $ 90,602 | $ 64,995 |

The accompanying notes are an integral part of these financial statements.

---

[1] *The net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ *(4,470)*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | CANADIAN CORPORATE HIGH - GRADE BOND FUND | | | | CANADIAN CORPORATE INVESTMENT - GRADE BOND FUND | |
|---|---|---|---|---|---|---|
| | 2004 (note 1) | | 2003 | | 2004 (note 1) | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| **Bonds** | | | | | | |
| Obligations of, or guaranteed by, Government of Canada | $ - | $ - | $ - | $ - | $ 12,520 | $ 12,512 |
| Obligations of, or guaranteed by, the Province of British Columbia | - | - | - | - | - | - |
| Obligations of, or guaranteed by, other provinces | 3,248 | 3,207 | 33,409 | 32,572 | 38,794 | 37,820 |
| Debentures issued by corporations incorporated under the laws of Canada or a province | 208,955 | 199,287 | 1,926,941 | 1,831,294 | 1,831,995 | 1,805,384 |
| | 212,203 | 202,494 | 1,960,350 | 1,863,866 | 1,883,309 | 1,855,716 |
| **Short Term Investments** | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST1 | 8,350 | 8,350 | 4,683 | 4,683 | 11,891 | 11,891 |
| **Total Investments** | $ 220,553 | $ 210,844 | $ 1,965,033 | $ 1,868,549 | $ 1,895,200 | $ 1,867,607 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | SHORT TERM BOND FUND | | | | PENSION BOND FUND | | | |
|---|---|---|---|---|---|---|---|---|
| | 2004 | | 2003 | | 2004 | | 2003 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| **Bonds** | | | | | | | | |
| Obligations of, or guaranteed by, Government of Canada | $ 151,116 | $ 148,156 | $ 382,262 | $ 376,258 | $ 2,583,880 | $ 2,472,405 | $ 2,978,569 | $ 2,878,975 |
| Obligations of, or guaranteed by, the Province of British Columbia | 5,148 | 5,117 | 9,624 | 9,172 | 1,004,376 | 940,418 | 858,493 | 815,877 |
| Obligations of, or guaranteed by, other provinces | 124,701 | 121,896 | 127,095 | 122,427 | 3,241,757 | 3,102,600 | 2,649,772 | 2,538,067 |
| | 280,965 | 275,169 | 518,981 | 507,857 | 6,830,013 | 6,515,423 | 6,486,834 | 6,232,919 |
| **Short Term Investments** | | | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST1 | 14,508 | 14,509 | 4,055 | 4,055 | 137,121 | 137,127 | 55,460 | 55,461 |
| **Total Investments** | $ 295,473 | $ 289,678 | $ 523,036 | $ 511,912 | $ 6,967,134 | $ 6,652,550 | $ 6,542,294 | $ 6,288,380 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | REALPOOL INVESTMENT FUND | | | | REALPOOL INTERNATIONAL FUND 1999 | | | |
|---|---|---|---|---|---|---|---|---|
| | 2004 | | 2003 | | 2004 | | 2003 (Restated) | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| | (Consolidated) | | (Consolidated) | | (Consolidated) | | (Consolidated) | |
| **Real Estate Investments** | | | | | | | | |
| Retail | $ 503,442 | $ 418,893 | $ 363,900 | $ 298,084 | $ - | $ - | $ - | $ - |
| Office and mixed use | 3,408,960 | 2,762,431 | 3,083,649 | 2,449,607 | - | - | - | - |
| Industrial | 548,080 | 395,257 | 454,020 | 324,528 | - | - | - | - |
| Residential | 1,275,100 | 993,244 | 1,213,725 | 858,439 | - | - | - | - |
| Property held for/under development | 198,983 | 175,825 | 78,642 | 96,449 | - | - | - | - |
| Retirement homes | 81,980 | 90,974 | 184,312 | 162,261 | - | - | - | - |
| Deferred leasing and building improvement costs (note 3b) | - | - | - | 264,299 | - | - | - | - |
| Real estate investment funds | 35,534 | 21,606 | 27,216 | 22,000 | 123,376 | 152,091 | 116,549 | 150,698 |
| | 6,052,079 | 4,858,230 | 5,405,464 | 4,475,667 | 123,376 | 152,091 | 116,549 | 150,698 |
| **Short Term Investments** | | | | | | | | |
| Obligations of, or guaranteed by, Government of Canada, or savings institutions | 299,018 | 299,018 | 1,925 | 1,930 | - | - | - | - |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio | | | | | | | | |
| Fund ST2 | 23,833 | 23,830 | 88,998 | 88,994 | 1 | 1 | 6 | 6 |
| Fund ST3 | - | - | - | - | 8,806 | 9,052 | 13,220 | 13,457 |
| | 322,851 | 322,848 | 90,923 | 90,924 | 8,807 | 9,053 | 13,226 | 13,463 |
| **Total Investments** | $ 6,374,930 | $ 5,181,078 | $ 5,496,387 | $ 4,566,591 | $ 132,183 | $ 161,144 | $ 129,775 | $ 164,161 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | REALPOOL INTERNATIONAL FUND 2001 | | 2001 REALPOOL INTERNATIONAL FUND | | REALPOOL INTERNATIONAL FUND 2002 | | | |
|---|---|---|---|---|---|---|---|---|
| | 2003 (note 1) | | 2004 (note 1) | | 2004 | | 2003 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| | | | (Consolidated) | | (Consolidated) | | (Consolidated) | |
| **Real Estate Investments** | | | | | | | | |
| Real estate investment funds | $ 78,467 | $ 94,585 | $ 78,732 | $ 75,869 | $ 50,663 | $ 60,063 | $ 11,445 | $ 12,276 |
| **Short Term Investments** | | | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST2 | 273 | 273 | 177 | 177 | 3,770 | 4,034 | 36 | 36 |
| **Total Investments** | $ 78,740 | $ 94,858 | $ 78,909 | $ 76,046 | $ 54,433 | $ 64,097 | $ 11,481 | $ 12,312 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | 2004 REALPOOL INTERNATIONAL FUND | | FIXED TERM MORTGAGE FUND | | | |
|---|---|---|---|---|---|---|
| | 2004 (note 1) | | 2004 | | 2003 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| | (Consolidated) | | | | | |
| **Mortgages** | | | | | | |
| Retail | $ - | $ - | $ 347,508 | $ 329,996 | $ 367,223 | $ 349,475 |
| Office | - | - | 627,570 | 594,876 | 537,535 | 510,331 |
| Industrial | - | - | 287,373 | 270,815 | 275,934 | 260,914 |
| Residential | - | - | 408,580 | 397,464 | 338,037 | 320,645 |
| Other | - | - | 56,413 | 53,865 | 40,597 | 38,618 |
| | - | - | 1,727,444 | 1,647,016 | 1,559,326 | 1,479,983 |
| **Real Estate Investments** | | | | | | |
| Real estate investment funds | 124,677 | 122,347 | - | - | - | - |
| **Short Term Investments** | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio | | | | | | |
| Fund ST1 | - | - | 40,183 | 40,184 | 50,227 | 50,228 |
| Fund ST2 | 74 | 74 | - | - | - | - |
| Fund ST3 | 2,693 | 2,715 | - | - | - | - |
| | 2,767 | 2,789 | 40,183 | 40,184 | 50,227 | 50,228 |
| **Total Investments** | $ 127,444 | $ 125,136 | $ 1,767,627 | $ 1,687,200 | $ 1,609,553 | $ 1,530,211 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | CONSTRUCTION MORTGAGE FUND | | | | SPECIALTY MORTGAGE FUND | | | |
|---|---|---|---|---|---|---|---|---|
| | 2004 | | 2003 | | 2004 | | 2003 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| | | | | | (Consolidated) | | (Consolidated) | |
| **Mortgages** | | | | | | | | |
| Retail | $ - | $ - | $ 16,365 | $ 16,365 | $ 1,339 | $ 1,296 | $ 1,344 | $ 1,310 |
| Office | 474 | 474 | 82,463 | 82,463 | 15,088 | 15,121 | 7,682 | 7,650 |
| Industrial | 8,451 | 8,451 | 6,627 | 6,627 | - | - | - | - |
| Residential | 213,846 | 213,846 | 89,229 | 89,229 | 27,627 | 27,311 | 26,068 | 25,636 |
| Other | - | - | 13,421 | 13,421 | 15,250 | 15,250 | 10,000 | 10,000 |
| | 222,771 | 222,771 | 208,105 | 208,105 | 59,304 | 58,978 | 45,094 | 44,596 |
| **Short Term Investments** | | | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST1 | 84,560 | 84,562 | 18,941 | 18,941 | 6,254 | 6,254 | 87 | 87 |
| **Total Investments** | $ 307,331 | $ 307,333 | $ 227,046 | $ 227,046 | $ 65,558 | $ 65,232 | $ 45,181 | $ 44,683 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | PRIVATE PLACEMENT FUND 1995 | | | | PRIVATE PLACEMENT FUND 1996 | | | |
|---|---|---|---|---|---|---|---|---|
| | 2004 | | 2003 | | 2004 | | 2003 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| | (Consolidated) | | (Consolidated) | | (Consolidated) | | (Consolidated) | |
| **Private Placements** | $ 28,841 | $ 41,441 | $ 39,064 | $ 46,495 | $ 28,780 | $ 45,604 | $ 55,769 | $ 51,324 |
| **Equity Investments** | | | | | | | | |
| Materials | - | - | - | - | 5,138 | 6,489 | 5,683 | 6,489 |
| **Short Term Investments** | | | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio | | | | | | | | |
| Fund ST1 | 5,121 | 5,121 | 581 | 581 | 3,578 | 3,578 | 1,102 | 1,102 |
| Fund ST3 | 2,689 | 2,797 | 1,245 | 1,271 | 2,972 | 3,202 | 2,594 | 2,639 |
| | 7,810 | 7,918 | 1,826 | 1,852 | 6,550 | 6,780 | 3,696 | 3,741 |
| **Total Investments** | $ 36,651 | $ 49,359 | $ 40,890 | $ 48,347 | $ 40,468 | $ 58,873 | $ 65,148 | $ 61,554 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | PRIVATE PLACEMENT FUND 1997 | | | | PRIVATE PLACEMENT FUND 1998 | | | |
|---|---|---|---|---|---|---|---|---|
| | 2004 | | 2003 | | 2004 | | 2003 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| | (Consolidated) | | (Consolidated) | | (Consolidated) | | (Consolidated) | |
| **Private Placements** | $ 277,531 | $ 403,571 | $ 322,935 | $ 429,055 | $ 148,099 | $ 187,759 | $ 182,871 | $ 204,450 |
| **Equity Investments** | | | | | | | | |
| Materials | - | - | - | - | 8,653 | 10,816 | 9,472 | 10,816 |
| **Short Term Investments** | | | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio | | | | | | | | |
| Fund ST1 | 9,978 | 9,979 | 5,337 | 5,337 | 1,537 | 1,537 | 665 | 665 |
| Fund ST3 | 4,211 | 4,354 | 11,014 | 11,160 | 369 | 456 | 302 | 356 |
| | 14,189 | 14,333 | 16,351 | 16,497 | 1,906 | 1,993 | 967 | 1,021 |
| **Total Investments** | $ 291,720 | $ 417,904 | $ 339,286 | $ 445,552 | $ 158,658 | $ 200,568 | $ 193,310 | $ 216,287 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | PRIVATE PLACEMENT FUND 1999 | | | | PRIVATE PLACEMENT FUND 1999A | | | |
|---|---|---|---|---|---|---|---|---|
| | 2004 | | 2003 | | 2004 | | 2003 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| | (Consolidated) | | (Consolidated) | | (Consolidated) | | (Consolidated) | |
| **Private Placements** | $ 156,135 | $ 318,094 | $ 163,246 | $ 322,836 | $ 54,324 | $ 92,853 | $ 90,576 | $ 112,068 |
| **Equity Investments** | | | | | | | | |
| Health Care | - | - | - | - | - | - | 33 | 150 |
| Industrial Products | - | - | - | - | 12,392 | 5,666 | - | - |
| Information Technology | 1 | 379 | 1 | 379 | - | - | - | - |
| | 1 | 379 | 1 | 379 | 12,392 | 5,666 | 33 | 150 |
| **Short Term Investments** | | | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio | | | | | | | | |
| Fund ST1 | 1,880 | 1,880 | 117 | 117 | 2,323 | 2,323 | 1,819 | 1,819 |
| Fund ST3 | 3,047 | 3,112 | 1,008 | 1,033 | 382 | 427 | 69 | 83 |
| | 4,927 | 4,992 | 1,125 | 1,150 | 2,705 | 2,750 | 1,888 | 1,902 |
| **Total Investments** | $ 161,063 | $ 323,465 | $ 164,372 | $ 324,365 | $ 69,421 | $ 101,269 | $ 92,497 | $ 114,120 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | PRIVATE PLACEMENT FUND 2000 | | 2000 PRIVATE PLACEMENT FUND | | PRIVATE PLACEMENT FUND 2001 | | 2001 PRIVATE PLACEMENT FUND | |
|---|---|---|---|---|---|---|---|---|
| | 2003 (note 1) | | 2004 (note 1) | | 2003 (note 1) | | 2004 (note 1) | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| | | | (Consolidated) | | | | (Consolidated) | |
| **Private Placements** | $ 214,786 | $ 306,925 | $ 180,765 | $ 235,572 | $ 88,674 | $ 94,800 | $ 72,663 | $ 67,167 |
| **Derivative Contracts (note 7)** | | | | | | | | |
| Foreign currency contracts | - | - | 4 | - | - | - | - | - |
| **Short Term Investments** | | | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio | | | | | | | | |
| Fund ST1 | 993 | 993 | 4,305 | 4,305 | 60 | 60 | 55 | 55 |
| Fund ST3 | 44 | 51 | 1,041 | 1,097 | 29 | 34 | 862 | 908 |
| | 1,037 | 1,044 | 5,346 | 5,402 | 89 | 94 | 917 | 963 |
| **Total Investments** | $ 215,823 | $ 307,969 | $ 186,115 | $ 240,974 | $ 88,763 | $ 94,894 | $ 73,580 | $ 68,130 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | PRIVATE PLACEMENT FUND 2002 2003 (note 1) | | 2002 PRIVATE PLACEMENT FUND 2004 (note 1) (Consolidated) | | PRIVATE PLACEMENT FUND 2003 2003 (note 1) | | 2003 PRIVATE PLACEMENT FUND 2004 (note 1) (Consolidated) | |
|---|---|---|---|---|---|---|---|---|
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| **Private Placements** | $ 81,022 | $ 76,563 | $ 78,754 | $ 70,803 | $ 3,057 | $ 4,996 | $ 38,509 | $ 44,090 |
| **Short Term Investments** | | | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio | | | | | | | | |
| Fund ST1 | 236 | 236 | 2,250 | 2,250 | 34 | 34 | 164 | 164 |
| Fund ST3 | - | - | 376 | 386 | - | - | 129 | 139 |
| | 236 | 236 | 2,626 | 2,636 | 34 | 34 | 293 | 303 |
| **Total Investments** | $ 81,258 | $ 76,799 | $ 81,380 | $ 73,439 | $ 3,091 | $ 5,030 | $ 38,802 | $ 44,393 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | PRIVATE PLACEMENT FUND 2003A | | 2003A PRIVATE PLACEMENT FUND | | PRIVATE PLACEMENT FUND 2004 | |
|---|---|---|---|---|---|---|
| | 2003 (note 1) | | 2004 (note 1) | | 2004 (note 1) | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| | | | (Consolidated) | | (Consolidated) | |
| **Private Placements** | $ 21,452 | $ 21,619 | $ 23,318 | $ 22,653 | $ 23,299 | $ 27,762 |
| **Short Term Investments** | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio | | | | | | |
| Fund ST1 | 176 | 176 | 2 | 2 | 2 | 2 |
| Fund ST3 | - | - | - | - | 1,603 | 1,588 |
| | 176 | 176 | 2 | 2 | 1,605 | 1,590 |
| **Total Investments** | $ 21,628 | $ 21,795 | $ 23,320 | $ 22,655 | $ 24,904 | $ 29,352 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENT OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | ASIAN EQUITY FUND | | | |
|---|---|---|---|---|
| | 2004 | | 2003 | |
| | Fair Value | Cost | Fair Value | Cost |
| **Equity Investments** | | | | |
| Argentina | | | | |
| Australia | $ 337,702 | $ 256,602 | $ 265,244 | $ 212,769 |
| Hong Kong | 254,087 | 201,609 | 253,249 | 182,050 |
| Japan | 956,401 | 913,049 | 882,426 | 819,563 |
| Malaysia | 33,879 | 32,643 | 26,587 | 27,320 |
| New Zealand | 8,706 | 8,093 | 1,647 | 1,150 |
| Singapore | 54,363 | 47,375 | 54,376 | 42,114 |
| South Korea | 136,138 | 110,136 | 129,752 | 107,171 |
| Taiwan | 95,632 | 92,757 | 98,794 | 102,472 |
| Thailand | 38,716 | 31,769 | 97,205 | 60,496 |
| | 1,915,624 | 1,694,033 | 1,809,280 | 1,555,105 |
| **Derivative Contracts (note 7)** | | | | |
| Foreign currency contracts | 847 | - | 1,762 | - |
| **Short Term Investments** | | | | |
| Obligations of, or guaranteed by Government of Canada, or savings institutions | 28,177 | 28,180 | 8,055 | 8,056 |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST2 | 59 | 59 | 1,320 | 1,321 |
| | 28,236 | 28,239 | 9,375 | 9,377 |
| **Total Investments** | $ 1,944,707 | $ 1,722,272 | $ 1,820,417 | $ 1,564,482 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | EUROPEAN EQUITY FUND | | | | INDEXED EUROPEAN EQUITY FUND | |
|---|---|---|---|---|---|---|
| | 2004 | | 2003 | | 2004 (note 1) | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| **Equity Investments** | | | | | | |
| Austria | $ 14,443 | $ 7,646 | $ 9,705 | $ 8,011 | $ 7,226 | $ 5,148 |
| Belgium | 12,009 | 7,244 | 23,068 | 22,150 | 26,162 | 21,044 |
| Canada | - | - | 23 | 20 | - | - |
| Denmark | 6,525 | 3,891 | 19,440 | 20,822 | 15,338 | 13,363 |
| Finland | 4,202 | 10,375 | 46,432 | 63,391 | 27,568 | 28,575 |
| France | 167,452 | 155,342 | 312,610 | 303,821 | 178,433 | 165,499 |
| Germany | 124,687 | 102,700 | 234,455 | 235,300 | 136,171 | 127,055 |
| Greece | 5,454 | 4,810 | 5,483 | 4,724 | 10,822 | 8,398 |
| Ireland | 24,304 | 19,410 | 26,995 | 25,470 | 16,847 | 13,496 |
| Italy | 78,922 | 61,575 | 125,503 | 128,149 | 84,661 | 72,236 |
| Luxembourg | 5,613 | 3,718 | 5,607 | 4,662 | 2,420 | 1,936 |
| Netherlands | 88,571 | 90,520 | 183,291 | 213,434 | 97,771 | 96,264 |
| Norway | 6,108 | 5,645 | 8,140 | 9,094 | 11,960 | 9,452 |
| Portugal | 35 | - | 7,351 | 9,347 | 6,903 | 6,244 |
| Spain | 83,255 | 67,412 | 98,058 | 89,553 | 79,997 | 69,139 |
| Sweden | 17,200 | 21,130 | 45,505 | 49,951 | 49,097 | 41,230 |
| Switzerland | 142,811 | 151,332 | 268,987 | 282,856 | 133,905 | 126,817 |
| United Kingdom | 443,833 | 430,329 | 833,117 | 926,194 | 489,624 | 461,952 |
| | 1,225,424 | 1,143,079 | 2,253,770 | 2,396,949 | 1,374,905 | 1,267,848 |
| Exchange Traded Funds | - | - | - | - | 50 | 47 |
| | 1,225,424 | 1,143,079 | 2,253,770 | 2,396,949 | 1,374,955 | 1,267,895 |
| **Short Term Investments** | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST2 | 525 | 525 | 301 | 301 | 80 | 80 |
| **Total Investments** | $ 1,225,949 | $ 1,143,604 | $ 2,254,071 | $ 2,397,250 | $ 1,375,035 | $ 1,267,975 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | INTERNATIONAL EQUITY FUND | | | | INDEXED INTERNATIONAL EQUITY FUND | |
|---|---|---|---|---|---|---|
| | 2004 | | 2003 | | 2004 (note 1) | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| **Equity Investments** | | | | | | |
| Australia | $ 90,946 | $ 72,321 | $ 161,927 | $ 138,834 | $ 97,916 | $ 83,907 |
| Austria | 20,907 | 10,884 | 17,716 | 14,676 | 7,015 | 4,933 |
| Belgium | 52,846 | 32,911 | 57,889 | 49,357 | 25,980 | 20,861 |
| Bermuda | 1,626 | 1,495 | - | - | 25 | 26 |
| Brazil | 10,493 | 6,697 | 8,880 | 6,266 | - | - |
| Canada | 24,441 | 27,211 | 9,811 | 11,467 | - | - |
| China | 8,397 | 8,536 | - | - | - | - |
| Denmark | 3,814 | 2,582 | 15,261 | 13,695 | 15,320 | 13,256 |
| Finland | 17,475 | 24,591 | 59,169 | 75,683 | 27,514 | 28,719 |
| France | 281,222 | 229,473 | 465,090 | 423,738 | 176,933 | 164,417 |
| Germany | 180,751 | 151,120 | 278,208 | 257,975 | 135,141 | 127,157 |
| Greece | 4,614 | 4,367 | 7,555 | 7,109 | 10,906 | 8,621 |
| Hong Kong | 81,442 | 75,976 | 53,686 | 61,541 | 32,846 | 30,099 |
| India | 35,792 | 26,664 | 1,905 | 1,541 | - | - |
| Ireland | 5,488 | 4,900 | 33,243 | 31,406 | 16,515 | 13,235 |
| Italy | 118,182 | 87,262 | 157,879 | 143,243 | 84,437 | 72,501 |
| Japan | 520,353 | 500,906 | 796,158 | 821,591 | 424,593 | 405,608 |
| Korea | 45,410 | 34,350 | 27,358 | 25,030 | - | - |
| Luxembourg | 3,580 | 2,700 | 1,164 | 1,095 | 2,375 | 1,892 |
| Malaysia | 26,838 | 24,423 | 16,019 | 14,857 | - | - |
| Mexico | 9,708 | 9,174 | 874 | 854 | - | - |
| Netherlands | 121,668 | 123,059 | 216,539 | 249,594 | 97,389 | 96,739 |
| New Zealand | - | - | 3,917 | 2,802 | 4,490 | 3,827 |
| Norway | 5,607 | 5,093 | 7,077 | 6,321 | 11,846 | 9,254 |
| Philippines | 2,680 | 1,649 | 4,996 | 3,451 | - | - |
| Portugal | 1,604 | 1,420 | 5,230 | 6,618 | 6,878 | 6,188 |
| Russia | 266 | 3,964 | 6,170 | 6,228 | - | - |
| Singapore | 48,416 | 46,959 | 49,951 | 51,403 | 15,697 | 14,658 |
| South Africa | 7,674 | 4,312 | 2,753 | 2,767 | - | - |
| Spain | 148,208 | 112,518 | 138,752 | 116,913 | 79,721 | 69,215 |
| Sweden | 63,588 | 55,717 | 90,740 | 82,500 | 49,056 | 41,038 |
| Switzerland | 259,455 | 268,007 | 331,170 | 344,402 | 132,661 | 126,197 |
| Taiwan | 10,152 | 9,678 | 1,972 | 2,101 | - | - |
| Thailand | 18,742 | 13,987 | 19,510 | 10,596 | - | - |
| United Kingdom | 641,786 | 601,097 | 965,129 | 1,006,599 | 485,770 | 458,641 |
| United States | 4,209 | 3,633 | 247 | 231 | - | - |
| | 2,878,380 | 2,589,656 | 4,013,945 | 3,992,484 | 1,941,024 | 1,800,989 |
| Exchange Traded Funds | - | - | - | - | 1,601 | 1,490 |
| | 2,878,380 | 2,589,656 | 4,013,945 | 3,992,484 | 1,942,625 | 1,802,479 |
| **Derivative Contracts (note 7)** | | | | | | |
| Foreign currency contracts | 9,018 | - | (32) | - | - | - |
| **Short Term Investments** | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST2 | 164 | 164 | 297 | 298 | 15 | 15 |
| **Total Investments** | $ 2,887,562 | $ 2,589,820 | $ 4,014,210 | $ 3,992,782 | $ 1,942,640 | $ 1,802,494 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | INFRASTRUCTURE FUND ONE | | | | INFRASTRUCTURE FUND TWO | |
|---|---|---|---|---|---|---|
| | 2004 | | 2003 | | 2004 (note 1) | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| **Equity Investments** | | | | | | |
| Energy | $ - | $ - | $ - | $ - | $ 38,073 | $ 35,539 |
| Utilities | 145,843 | 100,001 | 126,185 | 100,001 | - | - |
| | 145,843 | 100,001 | 126,185 | 100,001 | 38,073 | 35,539 |
| **Short Term Investments** | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST2 | 2,364 | 2,363 | 3,866 | 3,865 | 1,114 | 1,114 |
| **Total Investments** | $ 148,207 | $ 102,364 | $ 130,051 | $ 103,866 | $ 39,187 | $ 36,653 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT DECEMBER 31, 2004**

**($ Thousands)**

| | STRATEGIC INVESTMENT AND INFRASTRUCTURE FUND 2004 (note 1) (Consolidated) | | STRATEGIC INV 100 FOREIGN PP FUND 2004 (note 1) (Consolidated) | |
|---|---|---|---|---|
| | Fair Value | Cost | Fair Value | Cost |
| **Private Placements** | $ 85,708 | $ 85,988 | $ 54,209 | $ 51,690 |
| **Short Term Investments** | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio | | | | |
| Fund ST1 | 4,164 | 4,164 | - | - |
| Fund ST3 | - | - | 10,410 | 10,539 |
| | 4,164 | 4,164 | 10,410 | 10,539 |
| **Total Investments** | $ 89,872 | $ 90,152 | $ 64,619 | $ 62,229 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED DECEMBER 31, 2004**

## 1. The Portfolios

British Columbia Investment Management Corporation ("bcIMC") was established under the *Public Sector Pension Plans Act* as a trust company authorized to carry on trust business and investment management services. These financial statements have been prepared by bcIMC staff and are the responsibility of bcIMC management.

Under the *Public Sector Pension Plans Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99, bcIMC may establish and operate pooled investment portfolios "…. in which money from trust funds, special funds or other funds, other public money and the money of government bodies and designated institutions may be combined in common for the purpose of investment by means of investment units of participation in a pooled investment portfolio." In addition, pooled investment portfolios previously established under the *Financial Administration Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 84/86, were continued under the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99, to be held in trust by bcIMC and invested by the Chief Investment Officer of bcIMC.

Participation in each portfolio is expressed in units, each unit giving its holder a proportionate share in net assets. Unitholders may only acquire and redeem units on respective valuation dates. The value of a unit is $1 million on establishment and is determined by dividing the market value of the net assets of the portfolio by the total number of units outstanding on subsequent valuation dates.

The number of portfolio units available for issue is unlimited, except for the Realpool International Funds, Private Placement Funds, and some of the Strategic Investment and Infrastructure Funds. These are closed-end funds, which were limited in participation to a prescribed set of unitholders at the time the funds were established. Each unitholder owns a specific percentage of a fund.

Bond Funds

The Canadian Corporate Bond Fund was established on July 25, 1991 and renamed the Canadian Corporate High-Grade Bond Fund on September 24, 2004. The Fund invests primarily in Canadian corporate debentures that are rated "A low" or higher by the Dominion Bond Rating Service or the Canadian Bond Rating Service.

The Canadian Corporate Investment-Grade Bond Fund was established on September 24, 2004, through the purchase of net assets of $1.834 billion from the Canadian Corporate Bond Fund. It invests primarily in Canadian corporate debentures that are rated "BBB low" or higher by the Dominion Bond Rating Service.

The Short Term Bond Fund was established on November 1, 1995, and invests primarily in bonds that are issued or guaranteed by the government of Canada or a provincial government. The bonds have a maturity date of less than ten years.

The Pension Bond Fund was established on January 1, 1995, and invests primarily in bonds issued or guaranteed by the government of Canada or a provincial government.

Real Estate Funds

The Realpool Investment Fund was established on July 3, 1991, and invests primarily in diversified Canadian income-producing properties through wholly-owned corporations.

1. **The Portfolios (continued)**

Real Estate Funds (continued)

The Realpool International Funds invest only in non-Canadian real estate-related assets that may include externally managed funds, direct real estate holdings and private real estate companies. Investments will often be in illiquid investments with a combination of short and longer term investment horizons. The Realpool International Funds were established on the following dates:

Realpool International Fund 1999 - March 26, 1999
2001 Realpool International Fund - January 1, 2004
Realpool International Fund 2002 - March 27, 2002
2004 Realpool International Fund - June 24, 2004

The Realpool International Fund 2001 was extinguished on January 1, 2004 when all of the unitholders received their pro-rata share of the net assets of the pooled investment portfolios as consideration for the redemption of their units. The entire pension plans' pro-rata shares were acquired by the new 2001 Realpool International Fund and the non-pension client's pro-rata share of the net assets were acquired by its own segregated portfolio. The fair value of the net assets acquired by the 2001 Realpool International Fund and the non-pension client's segregated portfolio were $63 million and $15.8 million respectively. As required under Canadian generally accepted accounting principles, the above transactions were recorded for accounting purposes at the carrying value of $75.9 million and $19 million respectively.

Mortgage Funds

The Fixed Term Mortgage Fund was established on June 30, 1995, and invests primarily in Canadian commercial and multi-family mortgage products.

The Construction Mortgage Fund was established on December 1, 1995, and invests primarily in Canadian construction mortgages.

The Specialty Mortgage Fund was established on September 28, 1999, and invests primarily in Canadian mortgages in regions with strong and growing economies. Mortgages are purchased as both shared loans and loans where the fund is the sole investor.

Private Placement Funds

Private placement investments are long term in nature, and are generally made in partnership with other investors, outside the structure of public markets. The partnerships invest primarily in debt and equity investments in domestic and international companies at various stages of development, and are generally related to venture capital, buy-out financing or expansion and development financing. The Private Placement Funds were established on the following dates:

Private Placement Fund 1995 - October 25, 1995
Private Placement Fund 1996 - March 20, 1996
Private Placement Fund 1997 - March 12, 1997
Private Placement Fund 1998 - March 13, 1998
Private Placement Fund 1999 - March 17, 1999
Private Placement Fund 1999A - March 17, 1999
2001 Private Placement Fund - January 1, 2004
2002 Private Placement Fund - January 1, 2004
2003 Private Placement Fund - January 1, 2004
2003A Private Placement Fund - January 1, 2004
2004 Private Placement Fund – April 23, 2004

1. **The Portfolios (continued)**

Private Placement Funds (continued)

The Private Placement Fund 2000, Private Placement Fund 2001, Private Placement Fund 2002, Private Placement Fund 2003, and Private Placement Fund 2003A were extinguished on January 1, 2004 when all of the unitholders received their pro-rata share of the net assets of the pooled investment portfolios as consideration for the redemption of their units. The entire pension plans pro-rata shares were acquired by the new Private Placement Funds and the non-pension client's pro-rata share of the net assets were acquired by its own segregated portfolio. As required under Canadian generally accepted accounting principles, the above transactions were recorded for accounting purposes at their carrying value. The respective fair value and book values of the net assets acquired by the new Private Placement Funds and the non-pension client's segregated portfolios were as follows:

| | Fair Value | Carrying Value |
|---|---|---|
| 2000 Private Placement Fund | $146.9 million | $208.7 million |
| 2001 Private Placement Fund | $47.6 million | $50.8 million |
| 2002 Private Placement Fund | $54.5 million | $51.6 million |
| 2003 Private Placement Fund | $2.5 million | $4.2 million |
| 2003A Private Placement Fund | $17.9 million | $18.1 million |
| Non-pension client's segregated portfolio | $152.2 million | $184.2 million |

Equity Funds

The Asian Equity Fund was established on January 2, 1998, and invests primarily in the securities that comprise the Morgan Stanley Capital International Pacific Free Net Index.

The European Equity Fund was established on January 2, 1998, and invests in securities of European companies.

The Indexed European Equity Fund was established on January 1, 2004, through the purchase of net assets of $898.8 million from the European Equity Fund. It invests primarily in securities that comprise the Morgan Stanley Capital International Europe Free Net Index.

The International Equity Fund was established on January 2, 1998, and invests in securities of companies outside of the United States.

The Indexed International Equity Fund was established on January 1, 2004 through the purchase of net assets of $1.451 billion from the International Equity Fund. It invests primarily in securities that comprise the Morgan Stanley Capital International EAFE Free Net Index.

**1. The Portfolios (continued)**

Strategic Investment and Infrastructure Funds

The Strategic Investment and Infrastructure Funds invest primarily in tangible assets with favourable risk-return characteristics that are an attractive match with pension liabilities. Investments in infrastructure projects cut across traditional asset class boundaries. The Funds were established on the following dates:

Infrastructure Fund One - October 8, 2002
Infrastructure Fund Two - February 24, 2004
Strategic Investment and Infrastructure Fund - June 30, 2004
Strategic Inv 100 Foreign PP Fund - December 23, 2004

**2. Principle of Consolidation**

Where applicable, the financial statements of the wholly owned subsidiary corporations of each Fund are consolidated with the parent accounts after adjusting them to a basis consistent with the accounting policies described below. Inter-organization accounts and transactions are eliminated upon consolidation.

**3. Significant Accounting Policies**

a) Basis of Presentation

These financial statements are prepared in accordance with Canadian generally accepted accounting principles.

b) Valuation of Investments

Short term investments are valued at fair value derived from external quotations. Securities listed on a stock exchange are valued at their closing sale price on the valuation date. Securities not traded on that date are valued at the mean price between the latest bid and asked price. Securities not listed on any stock exchange, or which are traded over-the-counter, are valued in the same manner based on available public quotations from recognized dealers in such securities or at the price estimated by the fund manager to be the fair value. Forward foreign currency contracts are valued at the prevailing forward exchange rates on the valuation date.

Real estate properties are reported at internal valuation where there is no external appraisal or at lower of internal and external valuation where there is an external appraisal. Properties are valued internally by the Realpool Investment Fund's external asset managers at the end of each quarter and are appraised externally once every ten to eighteen months by accredited independent appraisers. Historical cost information is maintained and is presented in the statement of investments. Accounting policies for historical costs are as follows: depreciation on buildings is provided on a straight-line basis over the expected life of the property not to exceed a 40 year period. Leasing and building improvement costs are capitalized and amortized over the period during which the costs are expected to be recovered. For development properties only, operating costs, certain indirect costs and property taxes are also capitalized. Investments in real estate co-ownership are accounted for by the proportionate consolidation method.

**3. Significant Accounting Policies (continued)**

Mortgages are valued by an independent external source.

Private placement investments made in partnership with other investors are valued by the external managers at their estimates of fair value. Fair value is defined as the expected realization if investments were disposed of in an orderly distribution over a reasonable period of time. These valuations are reviewed by management. Private placement investments made directly in private companies are valued at a price estimated by management to be the fair value. Private placement investments made directly in public companies are valued at their closing stock exchange sale price on the valuation date less appropriate discounts for escrow and volume limitations. Securities not traded on that date are valued at the mean price between the latest bid and asked price.

c) Measurement Uncertainty

Financial statements prepared in conformity with Canadian generally accepted accounting principles require management to make certain estimates and assumptions that can affect the reported balances. In determining the fair value of some of its investments, particularly real estate and private placements, management relies on external appraisers' or fund managers' assumptions regarding investment industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. By nature, these asset valuations are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the reported fair values may change by a material amount.

d) Investment Transactions and Income

Investment transactions are accounted for on a trade date basis. Dividend income is recognized on the ex-dividend date, and interest income on the accrual basis. Rental income is recorded net of property-related expenses. Income on foreign investments is reported net of withholding tax expense. Income on real estate investments is recorded net of any amortization of commitment fees. The income (loss) arising on the settlement of foreign currency contracts is reported as net realized gain (loss) on sale of investments.

The net realized gain (loss) on sale of investments represents the difference between the sales proceeds and cost, less related disposition costs. The net unrealized gain (loss) on investments represents the year-over-year change in the difference between the fair value and cost of the investments and mortgages payable. The cost is calculated based on historical cost for private placements and derivative contracts, average cost for equities, depreciated cost for real estate, and amortized cost for money market securities, bonds and mortgages. The amortized cost is the cost of acquisition adjusted by amortization of discounts and premiums on a true constant yield basis over the terms of the investments for money market securities and bonds, and on a straight line basis for mortgages.

e) Issue and Redemption of Units

The issue and redemption of units are recorded on a trade date basis.

f) Foreign Currency Translation

Assets, liabilities and commitments in foreign currencies are translated into Canadian dollars at the fiscal year-end exchange rate. Income, purchases and sales of investments are translated at the rate prevailing on the respective dates of such transactions. Net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes foreign currency translation gains (losses).

## 4. Changes In Accounting Presentation

In prior fiscal years, the financial statements for the Realpool International Fund 1999 and its wholly owned subsidiary corporations were prepared on an equity basis. In the current fiscal year, the Realpool International Fund 1999 and the comparatives have been presented on a consolidated basis. The prior year's figures were restated, resulting in a $22.7 million increase in total assets and an offsetting increase in total liabilities of $22.7 million.

In prior fiscal years, the placement fees relating to investments in the Realpool International Fund 2002 were capitalized and amortized over the expected life of the investment. In the current fiscal year, placement fees are no longer being amortized and remain as a cost of the investment. The following prior period figures have been restated:

| | |
|---|---|
| Increase to Opening Net Assets | $ 94,000 |
| Increase to Investment Income | 232,000 |
| Increase in Net Unrealized loss on investments | ( 243,000) |
| Increase in Investments at market | 83,000 |

## 5. Other Assets

As at December 31, 2004, the Realpool Investment Fund has prepaid expenses, goodwill and deferred financing charges totalling $92,477,140 (2003: $76,368,838) and the Realpool International Fund 1999 has prepaid expenses, escrow deposits and funded reserves of $854,848 (2003: $887,207).

## 6. Mortgages and Other Payables

Realpool Investment Fund

As at December 31, 2004, the Realpool Investment Fund has mortgages, notes and loans payable bearing interest at rates up to 10.875% and maturing at various dates to the year 2013. Principal repayments due are as follows:

| | |
|---|---|
| 2005 | $ 119,425,716 |
| 2006 | 135,359,840 |
| 2007 | 223,897,814 |
| 2008 | 79,978,472 |
| 2009 and subsequent | 562,996,728 |
| | 1,121,658,570 |
| Plus: | |
| Unamortized premium | 412,616 |
| Net unrealized increase in value | 42,720,928 |
| | 43,133,544 |
| Market value of mortgages, notes and loans payable | $ 1,164,792,114 |

## 6. Mortgages and Other Payables (continued)

The change in the unrealized increase (decrease) in the value of the mortgage liabilities is included in net unrealized gain (loss) on investments in the Statement of Change in Net Assets. Other payables include accounts payable and accrued liabilities of $119,439,181 (2003: $88,240,536) and rent received in advance and deposits of $23,160,336 (2003: $19,341,187).

Realpool International Fund 1999

As at December 31, 2004, the Realpool International Fund 1999 has mortgages, notes and loans payable bearing interest at rates up to 9.5% and maturing at various dates to the year 2030. Principal repayments due are as follows:

| | |
|---|---|
| 2005 | $ 388,884 |
| 2006 | 414,768 |
| 2007 | 447,917 |
| 2008 | 476,372 |
| 2009 and subsequent | 19,290,015 |
| | 21,017,956 |
| Plus: | |
| Net unrealized increase in value | (415,485) |
| Market value of mortgages, notes and loans payable | $ 20,602,471 |

The change in the unrealized increase (decrease) in the value of the mortgage liabilities is included in net unrealized gain (loss) on investments in the Statement of Change in Net Assets.

## 7. Derivative Contracts

Derivative contracts are financial contracts, the value of which is derived from the value of underlying assets, commodities, indices, interest rates or currency rates. The derivative contracts held by the pooled investment portfolios include foreign currency contracts.

Foreign Currency Contracts

A foreign currency contract is a contract to exchange a specified amount of one currency for another currency on a specific date in the future for a specified price.

For the Asian Equity Fund, there is a net unrealized gain of $846,974 (2003: $1,761,913 gain) based on prevailing foreign currency exchange rates on December 31, 2004, relating to 7 (2003: 13) foreign currency contracts. These contracts settle in February and May 2005.

For the International Equity Fund, there is a net unrealized gain of $9,018,182 (2003: $32,206 loss) based on prevailing foreign currency exchange rates on December 31, 2004, relating to 40 (2003: 25) foreign currency contracts. These contracts settle in January 2005.

## 8. Risk Management

In general, all pooled investment portfolios are exposed to price risk and credit risk. There are three types of price risk: currency risk, interest rate risk and market risk. Currency risk relates to the possibility that investments may change in value due to future changes in foreign exchange rates. Interest rate risk relates to the possibility that investments may change in value due to future changes in market interest rates. Market risk relates to the possibility that investments may change in value due to future changes in market prices. Credit risk relates to the possibility that a loss may occur if another party fails to discharge an obligation. In order to avoid undue investment risk, bcIMC has established specific investment criteria for each pooled investment portfolio, such as minimum credit ratings for investees and counterparties, and investment diversification requirements.

## 9. Expenses

Custodial fees are applicable to the bond funds, fixed term mortgage fund, private placement funds and equity funds. The mortgage funds pay mortgage servicing and brokerage fees. Management fees are paid by the real estate and the equity funds to external managers for providing investment management and advisory services. For the private placement funds, in most cases, management fees are expenses of the various partnership investments, not of the funds. Where management fees are incurred directly by the funds, they are reported on the financial statements of the fund. Brokerage fees are incorporated into the cost and proceeds of equity and bond transactions.

## 10. Related Party Transactions

All inter-portfolio transactions are conducted at fair value.

Third party costs that are attributable to a specific pooled investment portfolio are charged to that portfolio and shared on a pro-rata basis by the portfolio unitholders. Other costs are initially borne by bcIMC. bcIMC recovers these costs by charging management fees.

bcIMC allocates fees, calculated on a cost recovery basis, to the various pooled investment portfolios in which clients participate.

External managers of the wholly owned corporations of the Realpool Investment Fund were paid property management fees of $21,283,162 (2003: $16,685,384).

## 11. Commitments

Wholly-owned corporations of the Realpool Investment Fund have property purchase and development commitments of $41.4 million (2003: $39.2 million) and have issued letters of credit totalling $2,758,019 (2003: $7.6 million). The corporations have also committed to pay a third party $300,000 per year from 2004 to 2023 and a minimum of $300,000 per year from 2024 to 2083 for the development rights to the land.

## 11. Commitments (Continued)

The other Funds have the following commitments for investment contracts:

- Realpool International Fund 1999 - $51.7 million (2003: $71.5 million)
- Realpool International Fund 2002 - $1.5 million (2003: $52.3 million)
- 2004 Realpool International Fund- $37.0 million
- Fixed Term Mortgage Fund - $36 million (2003: $94.3 million)
- Construction Mortgage Fund - $34.5 million (2003: $214.2 million)
- Specialty Mortgage Fund - $13.5 million (2003: $1.2 million)
- Private Placement Fund 1995 - $.7 million (2003: $6.1 million)
- Private Placement Fund 1996 - $3.0 million (2003: $4.4 million)
- Private Placement Fund 1997 - $49.6 million (2003: $82.8 million)
- Private Placement Fund 1998 - $64.9 million (2003: $60.0 million)
- Private Placement Fund 1999 - $69.1 million (2003: $94.7 million)
- Private Placement Fund 1999A - $8.4 million (2003: $24.4 million)
- 2000 Private Placement Fund - $69.6 million
- 2001 Private Placement Fund - $49.9 million
- 2002 Private Placement Fund - $145.8 million
- 2003 Private Placement Fund - $188.4 million
- 2003A Private Placement Fund - $60.3 million
- 2004 Private Placement Fund - $205.2 million
- Strategic Investment and Infrastructure Fund - $100.1 million
- Strategic Inv 100 Foreign PP Fund - $74.0 million

## 12. Subsequent Events

Realpool Investment Fund

On February 10, 2005, a wholly-owned corporation of the Realpool Investment Fund entered into a supplemental indenture for the provision of the issuance of two notes, designated as Series 3 and Series 4 Notes with a par value of $300 million.

On June 30, 2005, the Realpool Investment Fund entered into an Amended and Restated Credit Agreement with the Canadian Imperial Bank of Commerce, providing borrowing up to: an Operating Facility of $25 million, a Letter Facility of $8,199,061 and a Bridge Facility of $200 million.

Infrastructure Fund One and Two

On January 31, 2005, the assets of the Infrastructure Fund One and Two were transferred into a new pooled investment portfolio, the Strategic Inv 100 Public Equities Fund. The net assets transferred were $156.8 million and $41.2 million respectively.

## 13. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

## 14. Units Outstanding

The following is a summary of the changes in units outstanding during the year:

| | CANADIAN CORPORATE HIGH-GRADE BOND FUND | | CANADIAN CORPORATE INVESTMENT-GRADE BOND FUND | SHORT TERM BOND FUND | |
|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 (note 1) | 2004 | 2003 |
| Outstanding, beginning of year | 603.117 | 583.758 | - | 309.878 | 481.887 |
| Issued | 13.728 | 26.178 | 1,867.190 | 24.319 | 80.092 |
| Redeemed | (553.768) | (6.819) | - | (167.898) | (252.101) |
| Outstanding, end of year | 63.077 | 603.117 | 1,867.190 | 166.299 | 309.878 |

| | PENSION BOND FUND | | REALPOOL INVESTMENT FUND | | REALPOOL INTERNATIONAL FUND 1999 | |
|---|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Outstanding, beginning of year | 2,970.543 | 3,078.046 | 1,714.337 | 1,768.854 | 128.507 | 122.919 |
| Issued | 230.396 | 242.859 | 86.490 | 13.710 | 6.036 | 5.588 |
| Redeemed | (251.369) | (350.362) | (72.719) | (68.227) | (16.467) | - |
| Outstanding, end of year | 2,949.570 | 2,970.543 | 1,728.108 | 1,714.337 | 118.076 | 128.507 |

| | REALPOOL INTERNATIONAL FUND 2001 | | 2001 REALPOOL INTERNATIONAL FUND | REALPOOL INTERNATIONAL FUND 2002 | |
|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 (note 1) | 2004 | 2003 |
| Outstanding, beginning of year | 93.993 | 93.684 | - | 16.632 | 0.915 |
| Issued | - | 0.309 | 75.195 | 64.083 | 15.717 |
| Redeemed | (93.993) | - | - | (4.322) | - |
| Outstanding, end of year | - | 93.993 | 75.195 | 76.393 | 16.632 |

**14. Units Outstanding (continued)**

| | REALPOOL INTERNATIONAL FUND 2004 | FIXED TERM MORTGAGE FUND | | CONSTRUCTION MORTGAGE FUND | |
|---|---|---|---|---|---|
| | 2004 (note 1) | 2004 | 2003 | 2004 | 2003 |
| Outstanding, beginning of year | - | 800.483 | 799.536 | 128.231 | 127.674 |
| Issued | 158.797 | 59.946 | 84.331 | 63.131 | 30.305 |
| Redeemed | - | (67.118) | (83.384) | (42.438) | (29.748) |
| Outstanding, end of year | 158.797 | 793.311 | 800.483 | 148.924 | 128.231 |

| | SPECIALTY MORTGAGE FUND | | PRIVATE PLACEMENT FUND 1995 | | PRIVATE PLACEMENT FUND 1996 | |
|---|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Outstanding, beginning of year | 31.636 | 15.128 | 18.891 | 23.895 | 20.551 | 23.204 |
| Issued | 17.231 | 20.628 | - | - | - | - |
| Redeemed | (9.606) | (4.120) | (2.523) | (5.004) | (8.987) | (2.653) |
| Outstanding, end of year | 39.261 | 31.636 | 16.368 | 18.891 | 11.564 | 20.551 |

| | PRIVATE PLACEMENT FUND 1997 | | PRIVATE PLACEMENT FUND 1998 | | PRIVATE PLACEMENT FUND 1999 | |
|---|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Outstanding, beginning of year | 280.618 | 296.480 | 173.477 | 185.582 | 320.818 | 291.519 |
| Issued | 11.120 | 5.354 | 3.603 | 18.097 | 10.172 | 29.299 |
| Redeemed | (66.385) | (21.216) | (26.471) | (30.202) | (29.571) | - |
| Outstanding, end of year | 225.353 | 280.618 | 150.609 | 173.477 | 301.419 | 320.818 |

14. **Units Outstanding (continued)**

| | PRIVATE PLACEMENT FUND 1999A | | PRIVATE PLACEMENT FUND 2000 | | 2000 PRIVATE PLACEMENT FUND |
|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 (note 1) |
| Outstanding, beginning of year | 64.076 | 123.705 | 327.981 | 266.445 | - |
| Issued | 2.178 | 10.572 | - | 61.536 | 260.247 |
| Redeemed | (24.215) | (70.201) | (327.981) | - | (14.936) |
| Outstanding, end of year | 42.039 | 64.076 | - | 327.981 | 245.311 |

| | PRIVATE PLACEMENT FUND 2001 | | 2001 PRIVATE PLACEMENT FUND | PRIVATE PLACEMENT FUND 2002 | |
|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 (note 1) | 2004 | 2003 |
| Outstanding, beginning of year | 108.404 | 56.296 | - | 76.631 | 33.510 |
| Issued | - | 52.108 | 75.902 | - | 43.121 |
| Redeemed | (108.404) | - | - | (76.631) | - |
| Outstanding, end of year | - | 108.404 | 75.902 | - | 76.631 |

| | 2002 PRIVATE PLACEMENT FUND | PRIVATE PLACEMENT FUND 2003 | | 2003 PRIVATE PLACEMENT FUND |
|---|---|---|---|---|
| | 2004 (note 1) | 2004 | 2003 | 2004 (note 1) |
| Outstanding, beginning of year | - | 5.357 | - | - |
| Issued | 68.261 | - | 5.357 | 80.587 |
| Redeemed | (5.521) | (5.357) | - | (7.159) |
| Outstanding, end of year | 62.740 | - | 5.357 | 73.428 |

**14. Units Outstanding (continued)**

| | PRIVATE PLACEMENT FUND 2003A | | 2003A PRIVATE PLACEMENT FUND | PRIVATE PLACEMENT FUND 2004 |
|---|---|---|---|---|
| | 2004 | 2003 | 2004 (note 1) | 2004 (note 1) |
| Outstanding, beginning of year | 21.920 | - | - | - |
| Issued | - | 21.920 | 23.536 | 30.085 |
| Redeemed | (21.920) | - | (0.532) | - |
| Outstanding, end of year | - | 21.920 | 23.004 | 30.085 |

| | ASIAN EQUITY FUND | | EUROPEAN EQUITY FUND | | INDEXED EUROPEAN EQUITY FUND |
|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 | 2003 | 2004 (note 1) |
| Outstanding, beginning of year | 1,473.742 | 1,244.923 | 2,138.802 | 2,383.804 | - |
| Issued | 29.485 | 237.321 | 52.282 | 39.552 | 1,293.382 |
| Redeemed | (80.262) | (8.502) | (1,110.400) | (284.554) | (66.195) |
| Outstanding, end of year | 1,422.965 | 1,473.742 | 1,080.684 | 2,138.802 | 1,227.187 |

| | INTERNATIONAL EQUITY FUND | | INDEXED INTERNATIONAL EQUITY FUND | INFRASTURE FUND ONE | |
|---|---|---|---|---|---|
| | 2004 | 2003 | 2004 (note 1) | 2004 | 2003 |
| Outstanding, beginning of year | 3,554.698 | 3,345.629 | - | 100.121 | 100.121 |
| Issued | 332.537 | 270.322 | 2,031.814 | - | - |
| Redeemed | (1,534.362) | (61.253) | (289.462) | (4.479) | - |
| Outstanding, end of year | 2,352.873 | 3,554.698 | 1,742.352 | 95.642 | 100.121 |

14. **Units Outstanding (continued)**

| | INFRASTRUCTURE FUND TWO | STRATEGIC INVESTMENT AND INFRASTRUCTURE FUND | STRATEGIC INV 100 FOREIGN PP FUND |
|---|---|---|---|
| | 2004 (note 1) | 2004 (note 1) | 2004 (note 1) |
| Outstanding, beginning of year | - | - | - |
| Issued | 50.500 | 88.213 | 62.808 |
| Redeemed | (15.441) | - | - |
| Outstanding, end of year | 35.059 | 88.213 | 62.808 |

# BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

## POOLED INVESTMENT PORTFOLIOS

## GROUP OF FUNDS

Canadian Money Market Fund ST1
Canadian Money Market Fund ST2
U.S. Dollar Money Market Fund ST3
Indexed Government Bond Fund
Long Term Bond Fund
British Columbia Focus Fund
Indexed Canadian Equity Fund
Active Canadian Equity Fund
Enhanced Canadian Equity Fund
North American Equity Fund
Active U.S. Equity Fund
S & P 500 Index Equity Fund
Enhanced Indexed U.S. Equity Fund
U.S. Value Index Equity Fund
U.S. Equity Derivatives Fund
Currency Overlay Fund
U.S. Currency Hedging Fund

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2005

British Columbia Investment Management Corporation

Pooled Investment Portfolios

# STATEMENT OF RESPONSIBILITY

Responsibility for the integrity, objectivity and the preparation of the accompanying financial statements rests with the management of the British Columbia Investment Management Corporation. These statements are prepared in accordance with Canadian generally accepted accounting principles consistently applied and include some amounts that are based on best estimates and judgements. Systems of internal controls are in place to provide reasonable assurance that transactions are appropriately authorized, assets are safeguarded and financial records are properly maintained to provide reliable financial statements.

The Auditor General of the Province of British Columbia conducts an independent examination, in accordance with Canadian generally accepted auditing standards, and provides an independent professional opinion on the financial statements.

Doug Pearce
Chief Executive Officer
Chief Investment Officer

Lynne Ronneseth
Vice President, Finance & Operations

Victoria, British Columbia
August 19, 2005

# Report of the Auditor General of British Columbia

To the Unitholders of:

| | | |
|---|---|---|
| Canadian Money Market Fund ST1 | Canadian Money Market Fund ST2 | U.S. Dollar Money Market Fund ST3 |
| Indexed Government Bond Fund | Long Term Bond Fund | British Columbia Focus Fund |
| Indexed Canadian Equity Fund | Active Canadian Equity Fund | Enhanced Canadian Equity Fund |
| North American Equity Fund | Active U.S. Equity Fund | S & P 500 Index Equity Fund |
| Enhanced Indexed U.S. Equity Fund | U.S. Value Index Equity Fund | U.S. Equity Derivatives Fund |
| Currency Overlay Fund | U.S. Currency Hedging Fund | (collectively, "the Funds") |

I have audited the statements of net assets as at March 31, 2005 and March 31, 2004 of the Funds, the statements of changes in net assets for the years then ended, or for the shorter period since the inception date disclosed in Note 1, and the statements of investments as at March 31, 2005. These financial statements are the responsibility of the Funds' management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Funds as at March 31, 2005 and March 31, 2004, the changes in their net assets for the years then ended or for the shorter period since the inception date disclosed in Note 1, and their investments as at March 31, 2005 in accordance with Canadian generally accepted accounting principles.

Wayne Strelioff

*Victoria, British Columbia*
*August 19, 2005*

Wayne Strelioff, FCA
Auditor General

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT MARCH 31, 2005**

**($ Thousands)**

| | FUND ST1 | | FUND ST2 | | FUND ST3 | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| | | | | | (US $) | |
| Investments at market value | $ 1,901,558 | $ 816,400 | $ 3,652,711 | $ 3,606,283 | $ 162,626 | $ 220,121 |
| Cash | - | - | - | - | - | - |
| Accrued investment income | - | 1 | 198 | 907 | - | - |
| **Total assets** | 1,901,558 | 816,401 | 3,652,909 | 3,607,190 | 162,626 | 220,121 |
| bcIMC funds management fees payable (note 6) | 44 | 14 | 91 | 51 | 4 | 7 |
| Payable for purchase of investments | 126,460 | - | - | 99,115 | - | - |
| Custodial fees payable | 9 | 7 | 14 | 15 | 3 | 2 |
| Accounts payable | 9 | 11 | 11 | 9 | 7 | 8 |
| **Total liabilities** | 126,522 | 32 | 116 | 99,190 | 14 | 17 |
| **Net assets representing unitholders' equity** | $ 1,775,036 | $ 816,369 | $ 3,652,793 | $ 3,508,000 | $ 162,612 | $ 220,104 |
| Number of units outstanding (note 10) | 571.437 | 268.706 | 1,140.067 | 1,120.083 | 86.545 | 119.099 |
| **Net asset value per unit** | $ 3,106 | $ 3,038 | $ 3,204 | $ 3,132 | $ 1,879 | $ 1,848 |

The accompanying notes are an integral part of these financial statements.

Doug Pearce
Chief Executive Officer
Chief Investment Officer

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED MARCH 31, 2005**

**($ Thousands)**

| | FUND ST1 | | FUND ST2 | | FUND ST3 | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| | | | | | (US $) | |
| **Net assets, beginning of year** | $ 816,369 | $ 916,047 | $ 3,508,000 | $ 1,458,882 | $ 220,104 | $ 96,106 |
| **Changes during the year:** | | | | | | |
| **Operations:** | | | | | | |
| Income: | | | | | | |
| Investment income | 42,152 | 39,511 | 81,248 | 87,293 | 2,856 | 1,317 |
| Expenses (note 5, 6): | | | | | | |
| bcIMC funds management fees | 395 | 348 | 804 | 811 | 48 | 73 |
| Custodial fees | 36 | 29 | 59 | 54 | 10 | 7 |
| Administrative and professional fees | 3 | 19 | 9 | 15 | 5 | 15 |
| | 434 | 396 | 872 | 880 | 61 | 95 |
| Net investment income | 41,718 | 39,115 | 80,376 | 86,413 | 2,795 | 1,222 |
| Net realized gain (loss) on sale of investments | (2) | 37 | (207) | 919 | (9) | (4) |
| Net unrealized gain (loss) on investments | 13 | 6 | (801) | 2,020 | (1) | (1) |
| | 41,729 | 39,158 | 79,368 | 89,352 | 2,785 | 1,217 |
| **Capital transactions:** | | | | | | |
| Proceeds from units issued | 23,044,867 | 20,923,296 | 6,678,674 | 10,302,994 | 2,132,974 | 1,897,208 |
| Amounts paid for units redeemed | (22,127,929) | (21,062,132) | (6,613,249) | (8,343,228) | (2,193,251) | (1,774,427) |
| | 916,938 | (138,836) | 65,425 | 1,959,766 | (60,277) | 122,781 |
| **Net increase (decrease) during the year** | 958,667 | (99,678) | 144,793 | 2,049,118 | (57,492) | 123,998 |
| **Net assets, end of year** | $ 1,775,036 | $ 816,369 | $ 3,652,793 | $ 3,508,000 | $ 162,612 | $ 220,104 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT MARCH 31, 2005**

**($ Thousands)**

| | INDEXED GOVERNMENT BOND FUND | | LONG TERM BOND FUND | | BRITISH COLUMBIA FOCUS FUND | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Investments at market value | $ 214,551 | $ 206,420 | $ 2,023,969 | $ 1,858,778 | $ 5,376 | $ 7,925 |
| Receivable from sale of investments | 16,498 | 10,725 | 60,805 | - | - | 2,590 |
| Receivable from issue of units | 60 | 87 | - | - | - | - |
| Accrued investment income | 2,496 | 3,218 | 25,692 | 28,874 | - | - |
| **Total assets** | 233,605 | 220,450 | 2,110,466 | 1,887,652 | 5,376 | 10,515 |
| bcIMC funds management fees payable (note 6) | 7 | 6 | 48 | 18 | 3 | 2 |
| Payable for purchase of investments | 15,557 | 9,971 | 42,468 | - | - | - |
| Payable for redemption of units | 675 | 1,600 | - | - | - | - |
| Custodial fees payable | 2 | 4 | 6 | 7 | - | - |
| Accounts payable | 10 | 10 | 10 | 10 | 10 | 12 |
| **Total liabilities** | 16,251 | 11,591 | 42,532 | 35 | 13 | 14 |
| **Net assets representing unitholders' equity** | $ 217,354 | $ 208,859 | $ 2,067,934 | $ 1,887,617 | $ 5,363 | $ 10,501 |
| Number of units outstanding (note 10) | 90,336 | 91,243 | 1,340,927 | 1,340,653 | 2,634 | 4,459 |
| **Net asset value per unit** | $ 2,406 | $ 2,289 | $ 1,542 | $ 1,408 | $ 2,036 | $ 2,355 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED MARCH 31, 2005**

**($ Thousands)**

| | INDEXED GOVERNMENT BOND FUND | | LONG TERM BOND FUND | | BRITISH COLUMBIA FOCUS FUND | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| **Net assets, beginning of year** | $ 208,859 | $ 198,152 | $ 1,887,617 | $ 1,617,872 | $ 10,501 | $ 11,112 |
| **Changes during the year:** | | | | | | |
| **Operations:** | | | | | | |
| Income: | | | | | | |
| Investment income | 9,393 | 9,762 | 101,985 | 95,168 | 487 | 1,079 |
| Expenses (note 5, 6): | | | | | | |
| bcIMC funds management fees | 71 | 67 | 421 | 295 | 28 | 40 |
| Custodial fees | 9 | 10 | 29 | 29 | - | - |
| Administrative and professional fees | 10 | 17 | 6 | 17 | 12 | 20 |
| | 90 | 114 | 456 | 341 | 40 | 60 |
| Net investment income | 9,303 | 9,648 | 101,529 | 94,827 | 447 | 1,019 |
| Net realized gain (loss) on sale of investments | 3,350 | 9,427 | 63,089 | 45,141 | (4) | (2) |
| Net unrealized gain (loss) on investments | (1,918) | 940 | 15,324 | 69,777 | (1,181) | 472 |
| | 10,735 | 20,015 | 179,942 | 209,745 | (738) | 1,489 |
| **Capital transactions:** | | | | | | |
| Proceeds from units issued | 10,045 | 14,722 | 37,489 | 151,994 | - | - |
| Amounts paid for units redeemed | (12,285) | (24,030) | (37,114) | (91,994) | (4,400) | (2,100) |
| | (2,240) | (9,308) | 375 | 60,000 | (4,400) | (2,100) |
| **Net increase (decrease) during the year** | 8,495 | 10,707 | 180,317 | 269,745 | (5,138) | (611) |
| **Net assets, end of year** | $ 217,354 | $ 208,859 | $ 2,067,934 | $ 1,887,617 | $ 5,363 | $ 10,501 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT MARCH 31, 2005**

**($ Thousands)**

| | INDEXED CANADIAN EQUITY FUND | | ACTIVE CANADIAN EQUITY FUND | | ENHANCED CANADIAN EQUITY FUND | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Investments at market value | $ 8,294,205 | $ 7,457,488 | $ 5,317,677 | $ 4,816,759 | $ 263,116 | $ 136,087 |
| Cash | - | - | 1,127 | 1,638 | 282 | 650 |
| Receivable from sale of investments | 12,343 | 19,100 | 17,817 | 11,386 | 1,782 | 414 |
| Receivable from issue of units | 500 | 45 | 400 | - | - | - |
| Accrued investment income | 13,862 | 12,297 | 5,734 | 5,620 | 445 | 244 |
| **Total assets** | 8,320,910 | 7,488,930 | 5,342,755 | 4,835,403 | 265,625 | 137,395 |
| bcIMC funds management fees payable (note 6) | 220 | 95 | 130 | 36 | 16 | 32 |
| Payable for purchase of investments | 9,739 | 20,681 | 19,540 | 20,803 | 1,907 | 314 |
| Payable for redemption of units | 275 | 1,110 | 400 | - | - | - |
| External management fees payable | - | - | 2,490 | 2,207 | 83 | 75 |
| Custodial fees payable | 34 | 11 | 35 | 34 | 13 | 9 |
| Accounts payable | 21 | 33 | 21 | 13 | 7 | 8 |
| **Total liabilities** | 10,289 | 21,930 | 22,616 | 23,093 | 2,026 | 438 |
| **Net assets representing unitholders' equity** | $ 8,310,621 | $ 7,467,000 | $ 5,320,139 | $ 4,812,310 | $ 263,599 | $ 136,957 |
| Number of units outstanding (note 10) | 2,473.793 | 2,544.544 | 1,079.858 | 1,138.546 | 167.068 | 100.221 |
| **Net asset value per unit** | $ 3.359 | $ 2.935 | $ 4.927 | $ 4.227 | $ 1.578 | $ 1.367 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED MARCH 31, 2005**

**($ Thousands)**

| | INDEXED CANADIAN EQUITY FUND | | ACTIVE CANADIAN EQUITY FUND | | ENHANCED CANADIAN EQUITY FUND | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| **Net assets, beginning of year** | $ 7,467,000 | $ 6,692,593 | $ 4,812,310 | $ 3,483,348 | $ 136,957 | $ 98,275 |
| **Changes during the year:** | | | | | | |
| **Operations:** | | | | | | |
| Income: | | | | | | |
| Investment income | 159,038 | 152,651 | 73,608 | 66,075 | 3,145 | 2,288 |
| Expenses (note 5, 6): | | | | | | |
| bcIMC funds management fees | 1,928 | 1,393 | 1,051 | 530 | 171 | 440 |
| External management fees | - | 41 | 9,339 | 8,009 | 315 | 279 |
| Custodial fees | 136 | 136 | 140 | 139 | 50 | 37 |
| Administrative and professional fees | 55 | 36 | 35 | 35 | 8 | 15 |
| | 2,119 | 1,606 | 10,565 | 8,713 | 544 | 771 |
| Net investment income | 156,919 | 151,045 | 63,043 | 57,362 | 2,601 | 1,517 |
| Net realized gain (loss) on sale of investments | 202,710 [1] | 284,272 [1] | 286,214 [1] | 179,191 | 9,118 | 7,394 |
| Net unrealized gain (loss) on investments | 701,217 [1] | 1,878,608 [1] | 408,572 [1] | 1,092,409 | 14,763 | 29,221 |
| | 1,060,846 | 2,313,925 | 757,829 | 1,328,962 | 26,482 | 38,132 |
| **Capital transactions:** | | | | | | |
| Proceeds from units issued | 938,787 | 240,681 | 64,988 | 124,040 | 102,320 | 550 |
| Amounts paid for units redeemed | (1,156,012) | (1,780,199) | (314,988) | (124,040) | (2,160) | - |
| | (217,225) | (1,539,518) | (250,000) | - | 100,160 | 550 |
| **Net increase (decrease) during the year** | 843,621 | 774,407 | 507,829 | 1,328,962 | 126,642 | 38,682 |
| **Net assets, end of year** | $ 8,310,621 | $ 7,467,000 | $ 5,320,139 | $ 4,812,310 | $ 263,599 | $ 136,957 |

The accompanying notes are an integral part of these financial statements.

---

[1] *Net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ 276 | $ (280) | $ 1,502 | $ -

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT MARCH 31, 2005**

**($ Thousands)**

| | NORTH AMERICAN EQUITY FUND | | ACTIVE U.S. EQUITY FUND | | S & P 500 INDEX EQUITY FUND | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Investments at market value | $ 7,946,004 | $ 8,056,862 | $ 2,179,881 | $ 2,230,339 | $ 1,973,850 | $ 2,275,116 |
| Cash | - | - | 62,261 | 51,329 | 685 | - |
| Receivable from sale of investments | - | - | 16,291 | 7,843 | - | - |
| Receivable from issue of units | - | - | - | - | 375 | 200 |
| Accrued investment income | - | - | 2,310 | 2,187 | 2,608 | 2,823 |
| Withholding taxes receivable | - | - | 60 | 29 | 48 | 51 |
| **Total assets** | 7,946,004 | 8,056,862 | 2,260,803 | 2,291,727 | 1,977,566 | 2,278,190 |
| bcIMC funds management fees payable (note 6) | - | 4 | 60 | 28 | 53 | 39 |
| Payable for purchase of investments | - | - | 14,599 | 10,967 | 7 | 1,068 |
| Payable for redemption of units | - | - | - | - | - | 200 |
| External management fees payable | - | - | 2,933 | 2,553 | - | - |
| Custodial fees payable | - | - | 60 | 67 | 10 | 27 |
| Accounts payable | 7 | 11 | 16 | 16 | 17 | 14 |
| **Total liabilities** | 7 | 15 | 17,668 | 13,631 | 87 | 1,348 |
| **Net assets representing unitholders' equity** | $ 7,945,997 | $ 8,056,847 | $ 2,243,135 | $ 2,278,096 | $ 1,977,479 | $ 2,276,842 |
| Number of units outstanding (note 10) | 6,073.377 | 6,841.888 | 593.929 | 593.888 | 557.407 | 632.386 |
| **Net asset value per unit** | $ 1,308 | $ 1,178 | $ 3,777 | $ 3,836 | $ 3,548 | $ 3,600 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED MARCH 31, 2005**

**($ Thousands)**

| | NORTH AMERICAN EQUITY FUND | | ACTIVE U.S. EQUITY FUND | | S & P 500 INDEX EQUITY FUND | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| **Net assets, beginning of year** | $ 8,056,847 | $ 7,931,934 | $ 2,278,096 | $ 1,792,546 | $ 2,276,842 | $ 2,323,902 |
| **Changes during the year:** | | | | | | |
| **Operations:** | | | | | | |
| Income: | | | | | | |
| Investment income | 156,745 | 178,266 | 41,633 | 30,092 | 47,378 | 57,701 |
| Expenses (note 5, 6): | | | | | | |
| bcIMC funds management fees | 1,872 | 1,728 | 527 | 433 | 528 | 554 |
| External management fees | - | - | 10,177 | 9,627 | - | - |
| Custodial fees | 161 | 247 | 259 | 251 | 77 | 147 |
| Administrative and professional fees | 44 | 58 | 14 | 28 | 19 | 29 |
| | 2,077 | 2,033 | 10,977 | 10,339 | 624 | 730 |
| Net investment income | 154,668 | 176,233 | 30,656 | 19,753 | 46,754 | 56,971 |
| Net realized gain (loss) on sale of investments | 249,552 | 97,212 | 18,818 [1] | 12,501 [1] | 16,527 [1] | 3,481 [1] |
| Net unrealized gain (loss) on investments | 368,132 | 2,124,500 | (84,585) [1] | 396,996 [1] | (94,708) [1] | 389,008 [1] |
| | 772,352 | 2,397,945 | (35,111) | 429,250 | (31,427) | 449,460 |
| **Capital transactions:** | | | | | | |
| Proceeds from units issued | 140,401 | 62,375 | 138,861 | 69,265 | 228,277 | 75,170 |
| Amounts paid for units redeemed | (1,023,603) | (2,335,407) | (138,711) | (12,965) | (496,213) | (571,690) |
| | (883,202) | (2,273,032) | 150 | 56,300 | (267,936) | (496,520) |
| **Net increase (decrease) during the year** | (110,850) | 124,913 | (34,961) | 485,550 | (299,363) | (47,060) |
| **Net assets, end of year** | $ 7,945,997 | $ 8,056,847 | $ 2,243,135 | $ 2,278,096 | $ 1,977,479 | $ 2,276,842 |

The accompanying notes are an integral part of these financial statements.

---

[1] *Net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* | | *$ 187,031* | *$ 277,540* | *$ (172,704)* | *$ (369,635)*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF NET ASSETS**
**AS AT MARCH 31, 2005**

**($ Thousands)**

| | ENHANCED INDEXED U.S. EQUITY FUND | | U.S. VALUE INDEX EQUITY FUND | | U.S. EQUITY DERIVATIVES FUND | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Investments at market value | $ 177,012 | $ 177,627 | $ 982,239 | $ 1,185,536 | $ 2,949,670 | $ 2,569,849 |
| Cash | 60 | 2,177 | 676 | - | - | - |
| Receivable from sale of investments | - | 340 | - | 897 | - | - |
| Receivable from issue of units | - | - | 521 | - | - | - |
| Accrued investment income | 234 | 211 | 1,083 | 1,141 | - | - |
| Withholding taxes receivable | - | - | 30 | 32 | - | - |
| **Total assets** | 177,306 | 180,355 | 984,549 | 1,187,606 | 2,949,670 | 2,569,849 |
| bcIMC funds management fees payable (note 6) | 8 | 8 | 30 | 24 | 12 | 15 |
| Payable for purchase of investments | - | - | 892 | 1,091 | - | - |
| Payable for redemption of units | - | - | - | - | - | - |
| External management fees payable | 10 | 92 | - | - | - | - |
| Custodial fees payable | 1 | 2 | 5 | 4 | 5 | 4 |
| Accounts payable | 9 | 9 | 13 | 11 | 6 | 55 |
| **Total liabilities** | 28 | 111 | 940 | 1,130 | 23 | 74 |
| **Net assets representing unitholders' equity** | $ 177,278 | $ 180,244 | $ 983,609 | $ 1,186,476 | $ 2,949,647 | $ 2,569,775 |
| Number of units outstanding (note 10) | 113.335 | 113.335 | 677.073 | 823.945 | 2,150.654 | 1,970.474 |
| **Net asset value per unit** | $ 1,564 | $ 1,590 | $ 1,453 | $ 1,440 | $ 1,372 | $ 1,304 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF CHANGES IN NET ASSETS**
**FOR THE YEAR ENDED MARCH 31, 2005**

**($ Thousands)**

| | ENHANCED INDEXED U.S. EQUITY FUND | | U.S. VALUE INDEX EQUITY FUND | | U.S. EQUITY DERIVATIVES FUND | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| **Net assets, beginning of year** | $ 180,244 | $ 184,624 | $ 1,186,476 | $ 944,740 | $ 2,569,775 | $ 294,406 |
| **Changes during the year:** | | | | | | |
| **Operations:** | | | | | | |
| Income: | | | | | | |
| Investment income | 3,358 | 3,364 | 23,424 | 23,472 | 181,563 | 359,255 |
| Expenses (note 5, 6): | | | | | | |
| bcIMC funds management fees | 50 | 148 | 315 | 340 | 859 | 587 |
| External management fees | 294 | 393 | - | - | - | - |
| Custodial fees | 5 | 9 | 42 | 48 | 72 | 54 |
| Administrative and professional fees | 10 | 16 | 10 | 21 | 27 | 78 |
| | 359 | 566 | 367 | 409 | 958 | 719 |
| Net investment income | 2,999 | 2,798 | 23,057 | 23,063 | 180,605 | 358,536 |
| Net realized gain (loss) on sale of investments | (27,684) [1] | (28,198) [1] | (4,434) [1] | 50,362 [1] | (20,159) [1] | (18,045) [1] |
| Net unrealized gain (loss) on investments | 21,719 [1] | 60,875 [1] | (3,624) [1] | 252,961 [1] | (15,721) [1] | (3,062) [1] |
| | (2,966) | 35,475 | 14,999 | 326,386 | 144,725 | 337,429 |
| **Capital transactions:** | | | | | | |
| Proceeds from units issued | 4,298 | 145 | 6,086 | 8,110 | 336,983 | 1,965,753 |
| Amounts paid for units redeemed | (4,298) | (40,000) | (223,952) | (92,760) | (101,836) | (27,813) |
| | - | (39,855) | (217,866) | (84,650) | 235,147 | 1,937,940 |
| **Net increase (decrease) during the year** | (2,966) | (4,380) | (202,867) | 241,736 | 379,872 | 2,275,369 |
| **Net assets, end of year** | $ 177,278 | $ 180,244 | $ 983,609 | $ 1,186,476 | $ 2,949,647 | $ 2,569,775 |

The accompanying notes are an integral part of these financial statements.

---

[1] *Net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ *(15,696)* $ *(29,633)* $ *(85,844)* $ *(97,446)* $ *(22,323)* $ *(22,465)*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
STATEMENT OF NET ASSETS
AS AT MARCH 31, 2005

($ Thousands)

| | CURRENCY OVERLAY FUND | | U.S. CURRENCY HEDGING FUND | |
|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 |
| Investments at market value | $ 82,322 | $ 82,516 | $ 57,559 | $ - |
| **Total assets** | 82,322 | 82,516 | 57,559 | - |
| bcIMC funds management fees payable (note 6) | 3 | 5 | 3 | - |
| External management fees payable | 431 | 312 | - | - |
| Custodial fees payable | 22 | 15 | - | - |
| Accounts payable | 4 | 4 | 5 | - |
| **Total liabilities** | 460 | 336 | 8 | - |
| **Net assets representing unitholders' equity** | $ 81,862 | $ 82,180 | $ 57,551 | $ - |
| Number of units outstanding (note 10) | 24,266 | 24,266 | 28,835 | - |
| **Net asset value per unit** | $ 3.374 | $ 3.387 | $ 1.996 | $ - |

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2005

($ Thousands)

| | CURRENCY OVERLAY FUND | | U.S. CURRENCY HEDGING FUND | |
|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 |
| **Net assets, beginning of year** | $ 82,180 | $ 4,250 | $ - | $ - |
| **Changes during the year:** | | | | |
| **Operations:** | | | | |
| Income: | | | | |
| Investment income | 1,696 | 853 | 564 | 979 |
| Expenses (note 5, 6): | | | | |
| bcIMC funds management fees | 61 | 86 | 23 | 55 |
| External management fees | 1,708 | 1,886 | - | - |
| Custodial fees | 78 | 44 | 1 | 1 |
| Administrative and professional fees | 4 | 9 | 4 | 4 |
| | 1,851 | 2,025 | 28 | 60 |
| Net investment income | (155) | (1,172) | 536 | 919 |
| Net realized gain (loss) on sale of investments | 8,217 † | 24,440 † | 11,107 † | 40,282 † |
| Net unrealized gain (loss) on investments | (8,380) † | 1,390 † | 12,528 † | - † |
| | (318) | 24,658 | 24,171 | 41,201 |
| **Capital transactions:** | | | | |
| Proceeds from units issued | 6,464 | 65,000 | 35,109 | 44,827 |
| Amounts paid for units redeemed | (6,464) | (11,728) | (1,729) | (86,028) |
| | - | 53,272 | 33,380 | (41,201) |
| **Net increase (decrease) during the year** | (318) | 77,930 | 57,551 | - |
| **Net assets, end of year** | $ 81,862 | $ 82,180 | $ 57,551 | $ - |

The accompanying notes are an integral part of these financial statements.

---

† *Net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes the following foreign exchange gains (losses):* $ *(163)* $ *23,050* $ *23,622* $ *40,213*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
STATEMENTS OF INVESTMENTS
AS AT MARCH 31, 2005

($ Thousands)

| | FUND ST1 | | | | FUND ST2 | | | |
|---|---|---|---|---|---|---|---|---|
| | 2005 | | 2004 | | 2005 | | 2004 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| Obligations of, or guaranteed by, Government of Canada | $ 1,481,220 | $ 1,481,215 | $ 481,657 | $ 481,658 | $ 1,215,580 | $ 1,215,863 | $ 1,899,368 | $ 1,899,004 |
| Obligations of, or guaranteed by, the Province of British Columbia | 118,560 | 118,560 | 26,983 | 26,983 | - | - | - | - |
| Obligations of, or guaranteed by, other provinces | 301,778 | 301,775 | 307,760 | 307,764 | 61,342 | 61,373 | 63,179 | 63,143 |
| Obligations of, or guaranteed by, savings institutions | - | - | - | - | 1,906,721 | 1,906,699 | 1,394,064 | 1,393,963 |
| Commercial paper issued by corporations incorporated under the laws of Canada or a province | - | - | - | - | 469,068 | 469,057 | 249,672 | 249,653 |
| **Total Investments** | $ 1,901,558 | $ 1,901,550 | $ 816,400 | $ 816,405 | $ 3,652,711 | $ 3,652,992 | $ 3,606,283 | $ 3,605,763 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT MARCH 31, 2005**

**($ Thousands)**

| | FUND ST3 | | | |
|---|---|---|---|---|
| | 2005 | | 2004 | |
| | Fair Value | Cost | Fair Value | Cost |
| Obligations of, or guaranteed by, Government of Canada | $ 39,965 | $ 39,967 | $ 100,695 | $ 100,696 |
| Obligations of, or guaranteed by, other provinces | 19,970 | 19,970 | - | - |
| Obligations of, or guaranteed by, savings institutions | 71,996 | 71,996 | 80,455 | 80,455 |
| Commercial paper issued by corporations incorporated under the laws of Canada or a province | 30,695 | 30,695 | 38,971 | 38,971 |
| **Total Investments** | $ 162,626 | $ 162,628 | $ 220,121 | $ 220,122 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT MARCH 31, 2005**

**($ Thousands)**

| | INDEXED GOVERNMENT BOND FUND | | | | LONG TERM BOND FUND | | | |
|---|---|---|---|---|---|---|---|---|
| | 2005 | | 2004 | | 2005 | | 2004 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| **Bonds** | | | | | | | | |
| Obligations of, or guaranteed by, Government of Canada | $ 135,510 | $ 135,123 | $ 101,698 | $ 100,711 | $ 966,473 | $ 931,930 | $ 983,793 | $ 936,246 |
| Obligations of, or guaranteed by, the Province of British Columbia | 13,206 | 12,501 | 8,616 | 8,155 | 162,710 | 150,339 | 150,792 | 145,063 |
| Obligations of, or guaranteed by, other provinces | 65,166 | 63,354 | 94,125 | 90,753 | 810,360 | 730,261 | 722,371 | 663,958 |
| Obligations of Canadian municipalities | 547 | 517 | 550 | 519 | - | - | - | - |
| | 214,429 | 211,495 | 204,989 | 200,138 | 1,939,543 | 1,812,530 | 1,856,956 | 1,745,267 |
| **Short Term Investments** | | | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST1 | 122 | 122 | 1,431 | 1,430 | 84,426 | 84,426 | 1,822 | 1,822 |
| **Total Investments** | $ 214,551 | $ 211,617 | $ 206,420 | $ 201,568 | $ 2,023,969 | $ 1,896,956 | $ 1,858,778 | $ 1,747,089 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT MARCH 31, 2005**

**($ Thousands)**

| | BRITISH COLUMBIA FOCUS FUND | | | | INDEXED CANADIAN EQUITY FUND | | | |
|---|---|---|---|---|---|---|---|---|
| | 2005 | | 2004 | | 2005 | | 2004 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| **Private Placements** | $ 4,967 | $ 4,733 | $ 7,544 | $ 5,987 | $ - | $ - | $ - | $ - |
| **Equity Investments** | | | | | | | | |
| Consumer Discretionary | - | - | - | - | 531,198 | 450,543 | 537,852 | 462,558 |
| Consumer Staple | - | - | - | - | 335,782 | 212,394 | 302,417 | 205,320 |
| Energy | - | - | - | - | 1,751,492 | 844,970 | 1,067,474 | 647,305 |
| Financial Services | - | - | - | - | 2,677,898 | 1,510,595 | 2,378,649 | 1,392,465 |
| Health Care | 210 | 68 | - | - | 119,827 | 163,922 | 150,430 | 171,514 |
| Industrial Products | - | - | - | - | 492,867 | 378,844 | 456,374 | 413,724 |
| Information Technology | - | - | - | - | 472,048 | 934,108 | 598,521 | 968,300 |
| Materials and Processing | - | - | - | - | 1,302,023 | 944,237 | 1,231,485 | 931,491 |
| Telecommunication Services | - | - | - | - | 441,781 | 338,356 | 360,098 | 317,912 |
| Utilities | - | - | - | - | 124,055 | 95,090 | 327,297 | 231,053 |
| | 210 | 68 | - | - | 8,248,971 | 5,873,059 | 7,410,597 | 5,741,642 |
| Convertible debentures | - | - | - | - | 5,715 | 6,000 | 14,247 | 8,792 |
| | 210 | 68 | - | - | 8,254,686 | 5,879,059 | 7,424,844 | 5,750,434 |
| **Derivative Contracts (note 3)** | | | | | | | | |
| Stock index futures contracts | - | - | - | - | 707 | 707 | (186) | (186) |
| **Short Term Investments** | | | | | | | | |
| Obligations of, or guaranteed by, Government of Canada, or savings institutions | - | - | - | - | 3,998 | 3,998 | 4,993 | 4,993 |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio | | | | | | | | |
| Fund ST1 | - | - | 2 | 2 | 34,814 | 34,814 | 27,837 | 27,837 |
| Fund ST2 | 199 | 199 | 379 | 379 | - | - | - | - |
| | 199 | 199 | 381 | 381 | 38,812 | 38,812 | 32,830 | 32,830 |
| **Total Investments** | $ 5,376 | $ 5,000 | $ 7,925 | $ 6,368 | $ 8,294,205 | $ 5,918,578 | $ 7,457,488 | $ 5,783,078 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT MARCH 31, 2005**

**($ Thousands)**

| | ACTIVE CANADIAN EQUITY FUND | | | | ENHANCED CANADIAN EQUITY FUND | | | |
|---|---|---|---|---|---|---|---|---|
| | 2005 | | 2004 | | 2005 | | 2004 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| **Private Placements** | $ 317 | $ 1,061 | $ 317 | $ 1,061 | $ - | $ - | $ - | $ - |
| **Equity Investments** | | | | | | | | |
| Consumer Discretionary | 482,823 | 390,166 | 444,736 | 367,176 | 15,837 | 14,343 | $ 9,219 | $ 7,443 |
| Consumer Staple | 419,036 | 301,816 | 327,853 | 239,548 | 10,326 | 8,788 | 4,700 | 4,097 |
| Energy | 977,179 | 547,406 | 664,358 | 459,863 | 54,258 | 39,912 | 19,983 | 15,351 |
| Financial Services | 1,455,122 | 853,689 | 1,351,966 | 831,395 | 83,982 | 70,818 | 43,295 | 34,578 |
| Health Care | 145,572 | 160,897 | 158,936 | 156,052 | 3,368 | 3,781 | 2,793 | 2,463 |
| Industrial Products | 443,358 | 311,576 | 396,014 | 297,874 | 15,931 | 12,718 | 8,937 | 7,757 |
| Information Technology | 318,164 | 413,281 | 328,270 | 396,749 | 15,189 | 14,229 | 11,616 | 7,355 |
| Materials and Processing | 589,830 | 408,044 | 641,107 | 513,075 | 41,457 | 36,272 | 22,906 | 18,675 |
| Telecommunication Services | 148,631 | 108,278 | 146,173 | 126,711 | 14,464 | 12,458 | 6,724 | 6,288 |
| Utilities | 13,537 | 9,800 | 66,860 | 50,611 | 3,313 | 3,066 | 5,367 | 4,539 |
| | 4,993,252 | 3,505,153 | 4,526,273 | 3,439,054 | 258,125 | 216,385 | 135,540 | 108,546 |
| Convertible debentures | 222,457 | 202,148 | 189,215 | 176,622 | - | - | - | - |
| Exchange traded funds | - | - | - | - | 295 | 278 | - | - |
| | 5,215,709 | 3,707,301 | 4,715,488 | 3,615,676 | 258,420 | 216,663 | 135,540 | 108,546 |
| **Derivative Contracts (note 3)** | | | | | | | | |
| Stock index futures contracts | - | - | - | - | 58 | 58 | (2) | (2) |
| **Short Term Investments** | | | | | | | | |
| Obligations of, or guaranteed by, Government of Canada, or savings institutions | 75,142 | 75,146 | 55,030 | 55,013 | 595 | 595 | 99 | 99 |
| Obligations issued by corporations incorporated under the laws of Canada or a province | 23,537 | 23,538 | 41,908 | 41,905 | 100 | 100 | 100 | 100 |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST1 | 2,972 | 2,971 | 4,016 | 4,016 | 3,943 | 3,943 | 350 | 350 |
| | 101,651 | 101,655 | 100,954 | 100,934 | 4,638 | 4,638 | 549 | 549 |
| **Total Investments** | $ 5,317,677 | $ 3,810,017 | $ 4,816,759 | $ 3,717,671 | $ 263,116 | $ 221,359 | $ 136,087 | $ 109,093 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT MARCH 31, 2005**

**($ Thousands)**

| | NORTH AMERICAN EQUITY FUND | | | | ACTIVE U.S. EQUITY FUND | | | |
|---|---|---|---|---|---|---|---|---|
| | 2005 | | 2004 | | 2005 | | 2004 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| **Investment Funds** | | | | | | | | |
| Indexed Canadian Equity Fund | $ 6,448,790 | $ 5,219,661 | $ 6,336,111 | $ 5,507,349 | $ - | $ - | $ - | $ - |
| S & P 500 Index Equity Fund | 1,497,197 | 1,791,472 | 1,720,737 | 1,982,777 | - | - | - | - |
| | 7,945,987 | 7,011,133 | 8,056,848 | 7,490,126 | - | - | - | - |
| **Equity Investments** | | | | | | | | |
| Consumer Discretionary | - | - | - | - | 305,256 | 297,225 | 304,336 | 274,480 |
| Consumer Staple | - | - | - | - | 156,120 | 152,264 | 163,973 | 156,938 |
| Energy | - | - | - | - | 197,404 | 141,057 | 144,108 | 121,595 |
| Financial Services | - | - | - | - | 385,045 | 387,658 | 455,775 | 404,194 |
| Health Care | - | - | - | - | 296,566 | 310,758 | 275,927 | 281,690 |
| Industrial Products | - | - | - | - | 291,581 | 261,307 | 272,700 | 251,781 |
| Information Technology | - | - | - | - | 341,306 | 376,664 | 386,794 | 369,035 |
| Materials and Processing | - | - | - | - | 89,090 | 87,267 | 86,974 | 85,072 |
| Telecommunication Services | - | - | - | - | 51,204 | 47,847 | 80,428 | 84,949 |
| Utilities | - | - | - | - | 61,534 | 55,211 | 53,890 | 52,920 |
| | - | - | - | - | 2,175,106 | 2,117,258 | 2,224,905 | 2,082,654 |
| Convertible debentures | - | - | - | - | 620 | 619 | 801 | 619 |
| | - | - | - | - | 2,175,726 | 2,117,877 | 2,225,706 | 2,083,273 |
| **Short Term Investments** | | | | | | | | |
| Obligations issued by corporations incorporated under the laws of Canada or a province | - | - | - | - | 2,690 | 2,717 | 2,573 | 2,590 |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio | | | | | | | | |
| Fund ST1 | - | - | - | - | 77 | 77 | 10 | 10 |
| Fund ST2 | 17 | 17 | 14 | 14 | - | - | - | - |
| Fund ST3 | - | - | - | - | 1,388 | 1,728 | 2,050 | 2,399 |
| | 17 | 17 | 14 | 14 | 4,155 | 4,522 | 4,633 | 4,999 |
| **Total Investments** | $ 7,946,004 | $ 7,011,150 | $ 8,056,862 | $ 7,490,140 | $ 2,179,881 | $ 2,122,399 | $ 2,230,339 | $ 2,088,272 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT MARCH 31, 2005**

**($ Thousands)**

| | S & P 500 EQUITY FUND | | | | ENHANCED INDEXED U.S. EQUITY FUND | | | |
|---|---|---|---|---|---|---|---|---|
| | 2005 | | 2004 | | 2005 | | 2004 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| **Equity Investments** | | | | | | | | |
| Consumer Discretionary | $ 223,678 | $ 225,504 | $ 252,704 | $ 244,436 | $ 19,739 | $ 20,133 | $ 17,497 | $ 18,794 |
| Consumer Staple | 202,283 | 174,463 | 255,888 | 205,595 | 17,754 | 18,072 | 19,081 | 18,938 |
| Energy | 171,842 | 118,186 | 134,365 | 115,003 | 15,040 | 12,631 | 10,647 | 10,911 |
| Financial Services | 387,395 | 347,106 | 480,929 | 381,492 | 33,982 | 36,192 | 38,294 | 39,461 |
| Health Care | 254,541 | 245,841 | 296,243 | 260,134 | 22,497 | 22,434 | 24,599 | 28,139 |
| Industrial Products | 233,056 | 200,712 | 240,927 | 220,254 | 20,501 | 20,855 | 20,476 | 23,879 |
| Information Technology | 295,336 | 375,771 | 382,294 | 426,226 | 26,013 | 27,401 | 32,564 | 44,231 |
| Materials and Processing | 63,647 | 53,721 | 66,118 | 58,739 | 5,555 | 5,348 | 4,697 | 4,473 |
| Telecommunication Services | 60,909 | 99,033 | 79,644 | 118,887 | 5,380 | 5,729 | 6,564 | 9,324 |
| Utilities | 62,516 | 63,085 | 65,811 | 77,690 | 5,433 | 5,089 | 3,107 | 3,121 |
| | 1,955,203 | 1,903,422 | 2,254,923 | 2,108,456 | 171,894 | 173,884 | 177,526 | 201,271 |
| Exchange traded funds | - | - | - | - | 4,760 | 4,791 | - | - |
| | 1,955,203 | 1,903,422 | 2,254,923 | 2,108,456 | 176,654 | 178,675 | 177,526 | 201,271 |
| **Derivative Contracts (note 3)** | | | | | | | | |
| Stock index futures contracts | (26) | (26) | (23) | (23) | - | - | - | - |
| **Short Term Investments** | | | | | | | | |
| Obligations of, or guaranteed by, Government of Canada, or savings institutions | 2,413 | 2,480 | 5,229 | 5,305 | - | - | - | - |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio | | | | | | | | |
| Fund ST1 | - | - | - | - | 14 | 14 | 51 | 51 |
| Fund ST3 | 16,260 | 16,522 | 14,987 | 15,218 | 344 | 353 | 50 | 54 |
| | 18,673 | 19,002 | 20,216 | 20,523 | 358 | 367 | 101 | 105 |
| **Total Investments** | $ 1,973,850 | $ 1,922,398 | $ 2,275,116 | $ 2,128,956 | $ 177,012 | $ 179,042 | $ 177,627 | $ 201,376 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT MARCH 31, 2005**

**($ Thousands)**

| | U.S. VALUE INDEX EQUITY FUND | | | | U.S. EQUITY DERIVATIVES FUND | | | |
|---|---|---|---|---|---|---|---|---|
| | 2005 | | 2004 | | 2005 | | 2004 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| **Investment Funds** | | | | | | | | |
| S & P 500 Index Equity Fund | $ - | $ - | $ - | $ - | $ 191,410 | $ 205,247 | $ - | $ - |
| **Equity Investments** | | | | | | | | |
| Consumer Discretionary | 128,670 | 161,605 | 183,349 | 214,644 | - | - | - | - |
| Consumer Staple | 26,433 | 28,954 | 26,858 | 29,875 | - | - | - | - |
| Energy | 84,186 | 67,987 | 129,151 | 134,935 | - | - | - | - |
| Financial Services | 361,676 | 401,320 | 436,977 | 433,109 | - | - | - | - |
| Health Care | 78,199 | 76,425 | 45,197 | 45,277 | - | - | - | - |
| Industrial Products | 77,409 | 79,783 | 108,724 | 114,030 | - | - | - | - |
| Information Technology | 72,478 | 104,728 | 69,972 | 100,528 | - | - | - | - |
| Materials and Processing | 35,644 | 31,727 | 41,170 | 37,337 | - | - | - | - |
| Telecommunication Services | 53,307 | 89,547 | 71,676 | 110,112 | - | - | - | - |
| Utilities | 55,782 | 60,531 | 66,165 | 84,838 | - | - | - | - |
| | 973,784 | 1,102,607 | 1,179,239 | 1,304,685 | - | - | - | - |
| Exchange traded funds | 6,157 | 6,243 | 4,025 | 3,856 | - | - | - | - |
| | 979,941 | 1,108,850 | 1,183,264 | 1,308,541 | - | - | - | - |
| **Derivative Contracts (note 3)** | | | | | | | | |
| Stock index futures contracts | 5 | 5 | 5 | 5 | (3,469) | (3,469) | (2,745) | (2,745) |
| **Short Term Investments** | | | | | | | | |
| Obligations of, or guaranteed by, Government of Canada | 241 | 248 | 261 | 265 | 6,033 | 6,188 | 163,459 | 165,620 |
| Obligations of, or guaranteed by, Government of United States, or savings institutions | - | - | - | - | 162,884 | 167,381 | - | - |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio | | | | | | | | |
| Fund ST2 | - | - | - | - | 2,487,297 | 2,487,125 | 2,220,198 | 2,218,947 |
| Fund ST3 | 2,052 | 2,067 | 2,006 | 2,032 | 105,515 | 106,545 | 188,937 | 191,653 |
| | 2,293 | 2,315 | 2,267 | 2,297 | 2,761,729 | 2,767,239 | 2,572,594 | 2,576,220 |
| **Total Investments** | $ 982,239 | $ 1,111,170 | $ 1,185,536 | $ 1,310,843 | $ 2,949,670 | $ 2,969,017 | $ 2,569,849 | $ 2,573,475 |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**STATEMENTS OF INVESTMENTS**
**AS AT MARCH 31, 2005**

**($ Thousands)**

| | CURRENCY OVERLAY FUND | | | | U.S. CURRENCY HEDGING FUND | | | |
|---|---|---|---|---|---|---|---|---|
| | 2005 | | 2004 | | 2005 | | 2004 | |
| | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost | Fair Value | Cost |
| **Derivative Contracts (note 3)** | | | | | | | | |
| Foreign currency contracts | $ (7,095) | $ - | $ 1,285 | $ - | $ 12,521 | $ - | $ - | $ - |
| **Short Term Investments** | | | | | | | | |
| Units in British Columbia Investment Management Corporation Pooled Investment Portfolio | | | | | | | | |
| Fund ST1 | 89,417 | 89,417 | 81,231 | 81,231 | - | - | - | - |
| Fund ST3 | - | - | - | - | 45,038 | 45,031 | - | - |
| | 89,417 | 89,417 | 81,231 | 81,231 | 45,038 | 45,031 | - | - |
| **Total Investments** | $ 82,322 | $ 89,417 | $ 82,516 | $ 81,231 | $ 57,559 | $ 45,031 | $ - | $ - |

The accompanying notes are an integral part of these financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**
**POOLED INVESTMENT PORTFOLIOS**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED MARCH 31, 2005**

## 1. The Portfolios

British Columbia Investment Management Corporation ("bcIMC") was established under the *Public Sector Pension Plans Act* as a trust company authorized to carry on trust business and investment management services. These financial statements have been prepared by bcIMC staff and are the responsibility of bcIMC management.

Under the *Public Sector Pension Plans Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99, bcIMC may establish and operate pooled investment portfolios ".... in which money from trust funds, special funds or other funds, other public money and the money of government bodies and designated institutions may be combined in common for the purpose of investment by means of investment units of participation in a pooled investment portfolio." In addition, pooled investment portfolios previously established under the *Financial Administration Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 84/86, were continued under the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99, to be held in trust by bcIMC and invested by the Chief Investment Officer of bcIMC.

Participation in each portfolio is expressed in units, each unit giving its holder a proportionate share in net assets. Unitholders may only acquire and redeem units on respective valuation dates. The value of a unit is $1 million on establishment and is determined by dividing the market value of the net assets of the portfolio by the total number of units outstanding on subsequent valuation dates.

The number of portfolio units available for issue is unlimited, except for the British Columbia Focus Fund. The British Columbia Focus Fund is a closed-end fund, which was limited in participation to a prescribed set of unitholders at the time the fund was established. As noted below, the British Columbia Focus Fund has not issued new units of investment since September 1, 1994.

Short-Term Funds

The Fund ST1 was established on April 21, 1986, and invests primarily in Canadian money market investments maturing within one month.

The Fund ST2 was established on September 19, 1986, and invests primarily in Canadian money market investments maturing within 15 months.

The Fund ST3 was established on August 1, 1990, and invests primarily in U.S. money market investments maturing within one month. The financial statements of Fund ST3 are presented in U.S. dollars.

Bond Funds

The Indexed Government Bond Fund was established on September 1, 1993, and invests primarily in bonds which are issued or guaranteed by the government of Canada or a provincial government.

The Long Term Bond Fund was established on February 1, 1999, and invests primarily in bonds which are issued or guaranteed by the government of Canada or a provincial government.

1. **The Portfolios (continued)**

Private Placement Funds

The British Columbia Focus Fund was established on March 31, 1994. Its investments are long term in nature and are generally made in partnership with other investors, outside the structure of public markets. The partnerships invest primarily in debt and equity investments in Canadian companies situated in British Columbia. Investments are generally related to venture capital, buy-out financing or expansion and development financing for companies at various stages of development. The fund was closed as at September 1, 1994. Distribution of net assets to the unitholders will be made as investments are wound up.

Equity Funds

The Indexed Canadian Equity Fund was established on December 12, 1989, and invests primarily in securities of Canadian companies that comprise the S&P/TSX Composite Index.

The Active Canadian Equity Fund was established on July 26, 1990, and invests primarily in diversified portfolios of securities of Canadian companies.

The Enhanced Canadian Equity Fund was established on November 27, 2002 and invests primarily in diversified portfolios of securities of Canadian companies.

The North American Equity Fund was established on October 26, 2001 and owns units of bcIMC's Indexed Canadian Equity Fund and S & P 500 Index Equity Fund.

The Active U.S. Equity Fund was established on October 20, 1993, and invests primarily in diversified portfolios of securities of U.S. companies.

The S & P 500 Index Equity Fund was established on February 6, 1995, and invests primarily in the securities of U.S. companies that comprise the Standard and Poor's 500 Composite Index.

The Enhanced Indexed U.S. Equity Fund was established on September 1, 1998, and invests primarily in the securities of U.S. companies.

The U.S. Value Index Equity Fund was established on October 13, 2000, and invests primarily in the securities of U.S. companies that comprise the Standard and Poor's/BARRA Value Index.

The U.S. Equity Derivatives Fund was established on December 16, 2002 and invests primarily in Canadian domestic securities and derivative products (futures contracts and swap contracts) to replicate the return of the Standard & Poor's 500 Composite Index.

For the Active U.S. Equity Fund, the S & P 500 Index Equity Fund, the Enhanced Indexed U.S. Equity Fund and the U.S. Value Index Equity Fund, the $1 million unit value equated to $1.321 million, $1.398 million, $1.553 and $1.513 million in translated Canadian dollars respectively, based on foreign currency exchange rates on the funds' establishment dates as noted above. The financial statements of the U.S. equity funds are presented in Canadian dollars.

1. **The Portfolios (continued)**

Other Pooled Funds

The Currency Overlay Fund was established on October 8, 2002 and engages in the buying and selling of currencies through spot market, forward contracts, futures, and/or options to achieve desired currency exposure.

The U.S. Currency Hedging Fund was established on June 23, 2003 and engages in the buying and selling of currencies through spot market, forward contracts, and/or futures to achieve desired currency exposure.

2. **Significant Accounting Policies**

a) Basis of Presentation

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

b) Valuation of Investments

Short term investments are valued at fair value derived from external quotations. Securities listed on a stock exchange are valued at their closing sale price on the valuation date. Securities not traded on that date are valued at the mean price between the latest bid and asked price. Securities not listed on any stock exchange, or which are traded over-the-counter, are valued in the same manner based on available public quotations from recognized dealers in such securities or at the price estimated by the fund manager to be the fair value. Forward foreign currency contracts are valued at the prevailing forward exchange rates on the valuation date. Stock index futures contracts are valued based on the value of the respective index on the valuation date.

Private placement investments made in partnership with other investors are valued by the external managers at their estimates of fair value. Fair value is defined as the expected realization if investments were disposed of in an orderly distribution over a reasonable period of time. These valuations are reviewed by management. Private placement investments made directly in private companies are valued at a price estimated by management to be the fair value. Private placement investments made directly in public companies are valued at their closing stock exchange sale price on the valuation date less appropriate discounts for escrow and volume limitations. Securities not traded on that date are valued at the mean price between the latest bid and asked price.

c) Measurement Uncertainty

Financial statements prepared in conformity with Canadian generally accepted accounting principles require management to make certain estimates and assumptions that can affect the reported balances. In determining the fair value of some investments, particularly private placements, management relies on external appraisers' or fund managers' assumptions regarding investment industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. By nature, these asset valuations are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the reported fair value may change by a material amount.

**2. Significant Accounting Policies (continued)**

d) Investment Transactions and Income

Investment transactions are accounted for on a trade date basis. Dividend income is recognized on the ex-dividend date, and interest income on the accrual basis. Income on foreign investments is reported net of withholding tax expense. The income (loss) arising on the settlement of foreign currency contracts is reported as net realized gain (loss) on sale of investments. The daily variation income (loss) on stock index futures contracts, including brokerage commissions and miscellaneous expenses on the purchase and sale of the contracts, is reported as investment income.

Net realized gain (loss) on sale of investments represents the difference between the sales proceeds and cost, less related disposition costs. The net unrealized gain (loss) on investments represents the year-over-year change in the difference between the fair value and the cost of the investments. The cost is calculated based on historical cost for private placements and derivative contracts, average cost for equities, and amortized cost for money market securities and bonds. The amortized cost is the cost of acquisition adjusted by amortization of discounts and premiums on a true constant yield basis over the terms of the investments.

e) Issue and Redemption of Units

The issue and redemption of units are recorded on a trade date basis.

f) Foreign Currency Translation

Assets, liabilities and commitments in foreign currencies are translated into Canadian dollars at the fiscal year-end exchange rate. Income, purchases and sales of investments are translated at the rate prevailing on the respective dates of such transactions. Net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments includes foreign currency translation gains (losses).

**3. Derivative Contracts**

Derivative contracts are financial contracts, the value of which is derived from the value of underlying assets, commodities, indices, interest rates or currency rates. The derivative contracts held by the pooled investment portfolios include foreign currency contracts and stock index futures contracts.

Foreign Currency Contracts

A foreign currency contract is a contract to exchange a specified amount of one currency for another currency on a specific date in the future for a specified price.

For the Currency Overlay Fund, there is a net unrealized loss of $7,094,730 (2004: $1,285,109 gain) based on the prevailing foreign currency exchange rates on March 31, 2005, relating to 364 (2004: 258) foreign exchange contracts. These contracts settled in May and June 2005.

For the U.S. Currency Hedging Fund, there is a net unrealized gain of $12,520,838 (2004: nil) based on the prevailing foreign currency exchange rates on March 31, 2005, relating to 13 (2004: nil) foreign exchange contracts. These contracts settled in May and June 2005.

**3. Derivative Contracts (continued)**

Stock Index Futures Contracts

A stock index futures contract is an exchange-traded contract to buy or sell a fixed value of the index. These contracts are transacted either in the over-the-counter (OTC) market or regulated exchanges. The final settlement for stock index futures contract does not result in one party taking possession of the underlying asset, but rather a cash settlement of net gains or losses.

As at March 31, 2005, the Indexed Canadian Equity Fund holds 415 futures contracts (2004: 325) to purchase the S&P/TSE 60 Composite Stock Index for settlement in June 2005. These contracts have a notional value of $44,363,500 (2004: $30,914,000) on March 31, 2005, resulting in an accrued investment income of $706,550 (2004: accrued investment loss of $185,800). The fund intends to close out each futures contract before settlement by entering into equal, but offsetting, futures contracts. With respect to these futures contracts, $4,000,000 (2004: $5,000,000) of Government of Canada T-Bills, maturing in April 2005, is held on margin.

As at March 31, 2005, the Enhanced Canadian Equity Fund holds 37 futures contracts (2004: 3) to purchase the S&P/TSE 60 Composite Stock Index for settlement in June 2005. These contracts have a notional value of $3,955,300 (2004: $285,360) on March 31, 2005, resulting in an accrued investment gain of $58,460 (2004: accrued investment loss of $1,740). The fund intends to close out each futures contract before settlement by entering into equal, but offsetting, futures contracts. With respect to these futures contracts, $500,000 (2004: $100,000) of Government of Canada T-Bills, maturing in July 2005, is held on margin.

As at March 31, 2005, the S & P 500 Index Equity Fund holds 59 futures contracts (2004: 57) to purchase the S&P 500 Composite Stock Index for settlement in June 2005. These contracts have a notional value of $21,240,531 (2004: $21,007,086) on March 31, 2005, resulting in an accrued investment loss of $25,930 (2004: accrued investment loss of $23,075). The fund intends to close out each futures contract before settlement by entering into equal, but offsetting, futures contracts. With respect to these futures contracts, $2,419,200 (2004: $5,242,000) of Government of Canada T-Bills, maturing in July 2005, is held on margin.

As at March 31, 2005, the U.S. Value Index Equity Fund holds 14 futures contracts (2004: 14) to purchase the S&P/BARRA Value Stock Index for settlement in June 2005. These contracts have a notional value of $2,575,299 (2004: $2,597,935) on March 31, 2005, resulting in accrued investment income of $5,080 (2004: accrued investment income of $4,586). The fund intends to close out each futures contract before settlement by entering into equal, but offsetting, futures contracts. With respect to these futures contracts, $241,920 (2004: $262,100) of Government of Canada T-Bills, maturing in July 2005, is held on margin.

As at March 31, 2005, the U.S. Equity Derivatives Fund holds 7,700 futures contracts (2004: 6,969) to purchase the S&P 500 Composite Stock Index for settlement in June 2005. These contracts have a notional value of $2,756,687,472 (2004: $2,568,391,631) on March 31, 2005, resulting in accrued investment loss of $3,468,970 (2004: accrued investment loss of $2,744,875). The fund intends to close out each futures contract before settlement by entering into equal, but offsetting, futures contracts. With respect to these futures contracts, $6,048,000 (2004: $163,812,500) of Government of Canada T-Bills, maturing in May 2005, are held on margin and $163,296,000 (2004: nil) of United States of America Government T-Bills, maturing in May 2005, are held on margin.

## 4. Risk Management

In general, all pooled investment portfolios are exposed to price risk and credit risk. There are three types of price risk: currency risk, interest rate risk and market risk. Currency risk relates to the possibility that investments may change in value due to future changes in foreign exchange rates. Interest rate risk relates to the possibility that investments may change in value due to future changes in market interest rates. Market risk relates to the possibility that investments may change in value due to future changes in market prices. Credit risk relates to the possibility that a loss may occur if another party fails to discharge an obligation. In order to avoid undue investment risk, bcIMC has established specific investment criteria for each pooled investment portfolio, such as minimum credit ratings for investees and counterparties, and investment diversification requirements.

## 5. Expenses

The custodial fees are applicable to the money market funds, bond funds and equity funds. Management fees are paid by the Active Canadian Equity Fund, the Enhanced Canadian Equity Fund, the Active U.S. Equity Fund, the Enhanced Indexed U.S. Equity Fund and the Currency Overlay Fund to external fund managers for providing investment management and advisory services. For the British Columbia Focus Fund, in most cases, management fees are expenses of the various partnership investments, not of the fund. Where management fees are incurred directly by the fund, they are reported on the financial statements. Brokerage fees are incorporated into the cost and proceeds of equity and bond transactions.

## 6. Related Party Transactions

All inter-portfolio transactions are conducted at fair value.

Third party costs that are attributable to a specific pooled investment portfolio are charged to that portfolio and shared on a pro-rata basis by the portfolio unitholders. Other costs are initially borne by bcIMC. bcIMC recovers these costs by charging management fees.

bcIMC allocates fees, calculated on a cost recovery basis, to the various pooled investment portfolios in which clients participate.

## 7. Commitments

The British Columbia Focus Fund has outstanding commitments for investment contracts of $0.5 million (2004: $0.7 million)

## 8. Subsequent Events

The North American Equity Fund was closed on July 1, 2005 and the U.S. Equity Derivatives Fund was closed on August 25, 2005.

## 9. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

## 10. Units Outstanding

The following is a summary of the changes in units outstanding during the year:

| | FUND ST1 | | FUND ST2 | | FUND ST3 | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Outstanding, beginning of year | 286.706 | 309.965 | 1,120.083 | 479.942 | 119.099 | 52.494 |
| Issued | 7,508.297 | 6,982.437 | 2,109.831 | 3,344.211 | 1,146.493 | 1,030.423 |
| Redeemed | (7,205.566) | (7,023.696) | (2,089.847) | (2,704.070) | (1,179.047) | (963.818) |
| Outstanding, end of year | 571.437 | 268.706 | 1,140.067 | 1,120.083 | 86.545 | 119.099 |

| | INDEXED GOVERNMENT BOND FUND | | LONG TERM BOND FUND | | BRITISH COLUMBIA FOCUS FUND | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Outstanding, beginning of year | 91.243 | 95.437 | 1,340.653 | 1,297.933 | 4.459 | 5.498 |
| Issued | 4.372 | 6.751 | 25.475 | 111.310 | - | - |
| Redeemed | (5.279) | (10.945) | (25.201) | (68.590) | (1.825) | (1.039) |
| Outstanding, end of year | 90.336 | 91.243 | 1,340.927 | 1,340.653 | 2.634 | 4.459 |

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005

10. **Units Outstanding**

| | INDEXED CANADIAN EQUITY FUND | | ACTIVE CANADIAN EQUITY FUND | | ENHANCED CANADIAN INTERNATIONAL FUND | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Outstanding, beginning of year | 2,544.544 | 3,134.758 | 1,138.546 | 1,138.546 | 100.221 | 99.745 |
| Issued | 328.952 | 92.150 | 14.893 | 31.391 | 71.081 | 0.476 |
| Redeemed | (399.703) | (682.364) | (73.581) | (31.391) | (4.234) | - |
| Outstanding, end of year | 2,473.793 | 2,544.544 | 1,079.858 | 1,138.546 | 167.068 | 100.221 |

| | NORTH AMERICAN EQUITY FUND | | ACTIVE U.S. EQUITY FUND | | S & P 500 INDEX EQUITY FUND | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Outstanding, beginning of year | 6,841.888 | 8,984.738 | 593.888 | 577.023 | 632.386 | 777.921 |
| Issued | 116.793 | 53.389 | 35.573 | 20.260 | 61.935 | 23.151 |
| Redeemed | (885.304) | (2,196.239) | (35.532) | (3.395) | (138.914) | (168.686) |
| Outstanding, end of year | 6,073.377 | 6,841.888 | 593.929 | 593.888 | 557.407 | 632.386 |

| | ENHANCED INDEXED U.S. EQUITY FUND | | U.S VALUE INDEX EQUITY FUND | | U.S. EQUITY DERIVATIVES FUND | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Outstanding, beginning of year | 113.335 | 140.802 | 823.945 | 892.811 | 1,970.474 | 300.00 |
| Issued | 2.736 | 0.098 | 4.103 | 5.650 | 258.217 | 1,691.602 |
| Redeemed | (2.736) | (27.565) | (150.975) | (74.516) | (78.037) | (21.128) |
| Outstanding, end of year | 113.335 | 113.335 | 677.073 | 823.945 | 2,150.654 | 1,970.474 |

## 10. Units Outstanding

| | CURRENCY OVERLAY FUND | | U.S. CURRENCY HEDGING FUND | |
|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 |
| Outstanding, beginning of year | 24.266 | 4.000 | - | - |
| Issued | 1.771 | 23.823 | 29.574 | 3.355 |
| Redeemed | (1.771) | (3.557) | (0.739) | (3.355) |
| Outstanding, end of year | 24.266 | 24.266 | 28.835 | - |

bc imc

*Mailing Address* 3rd Floor
2940 Jutland Road
Victoria, British Columbia
V8T 5K6

*Telephone* 250-356-0263
*Facsimile* 250-387-7874
*Web* www.bcimc.com